Daily Report

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Czechoslovakia

Bratislava Radio reports that while discussing negotiations with Czech officials to prevent a split of Czechoslovakia, Slovak Prime Minister Vladimir Meciar stated: "We proposed to the Czech Republic and to the delegation of the Civic Democratic Party—and we keep proposing it—that we want them to recognize that there exist two subjects that will behave as subjects of international law, which means, on the level of international law, two states. But at the same time, we said there are so many relations between the Czechs and the Slovaks that we do not need to break everything and that we will preserve a common market space, one currency." He added that "nothing from our proposal has been adopted," and "we have been told equivocally and in an ultimative manner: Either you will accept the federation or there will be division into two states with all the consequences."

Yugoslavia

International—President Dobrica Cosic sent a message to the participants in the third CSCE summit in Helsinki on 9 July, TANJUG reports. In the message, Cosic stresses that the FRY "has remained true to all CSCE principles and has been doing everything to consistently and fully meet its obligations arising from these principles and all other CSCE documents." He concludes: "Despite all the current disagreements and the remarks that have been addressed to the FRY by the latest CSCE sessions, I want to assure you that the CSCE will continue to find an active, responsible, and constructive partner and member in the FRY."

Albania

Tirana Radio reports that at 0745 on 8 July, an Albanian military transport ship was "seized by force" by a group of Albanian servicemen and civilians. Two Albanian naval vessels were sent in pursuit, as was an Italian naval vessel. The ship was captured, and the servicemen were detained and turned over to authorities for "prosecution." In a later report by Tirana Radio, Defense Minister Safet Zhulali called the incident "a shameful and criminal act deliberately organized by certain definite political forces whose purpose is to destabilize the political situation and to obstruct the military reform."

Poland

Warsaw Radio reports on 9 July that Hanna Suchocka, the candidate for prime minister, held a news conference in which she emphasized the need for cooperation with the president, stating: "This will certainly not be a government in conflict with the president." Asked about the issue of submission to the president, Suchocka replied with a question: "Is there no middle ground between conflict and submission," and answered: "For me there is."

Croatia

According to TANJUG, Goran Hadzic, president of the Republic of Serbian Krajina, RSK, stated on 9 July that UN peacekeeping forces have "taken over control on all of the territory of the Republic of Serbian Krajina, including the so-called pink zones." Hadzic also said that the RSK borders "were final and not subject to change."

Servicemen Seize Naval Vessel, Sail to Italy

AU0907164492 Tirana Radio Tirana Network in Albanian 1600 GMT 9 Jul 92

[Text] At 0745 yesterday a transport ship of our military fleet, immediately after leaving the port of Sezan, was seized by force by a group of servicemen and civilians from the island.

Despite the attempts of officers to keep the ship on course, the ship was forcibly steered in the direction of Italy. Two ships of our military fleet were immediately sent in pursuit, as was an Italian military ship, which drew alongside, established communication, and called on the persons involved to turn back with their vessel.

However, the persons who were steering the ship, abandoning their dignity as servicemen and violating their oath to the homeland, took no heed of this summons and persisted in their path toward Italy. Military ships escorted the vessel to Italian waters. On the basis of the agreement between the Albanian and Italian Governments, all the servicemen were returned to Tirana by plane yesterday evening. Their names are: Agim Xhemali, Arben Seliluari, Vane Nako, Nue Basha, Pellumb Lezha, Dashnor Bega, Leonidhe Dhamo, Nako Cela, Bujar Veliu, Besnik Alimema, Nikolin Beta, Pjeter Biba, Ylli Dori, Burhan Zhela, Albert Sinani, Grigor Mesa, and others, and all the civilians who fled. All the servicemen have been detained and turned over to the organs of justice for prosecution.

Zhulali Blames ZERI I POPULLIT

AU0907190492 Tirana Radio Tirana Network in Albanian 1730 GMT 9 July 92

[Interview with Defense Minister Safet Zhulali by Zamira Koleci in Tirana on 9 July—recorded]

[Text] [Koleci] Mr. Minister, what do you think of this unusual event in the Army?

[Zhulali] It is a shameful and criminal act deliberately organized by certain definite political forces whose purpose is to destabilize the political situation and to obstruct the military reform. This act is one more in the series of attacks and slanders made by definite communist-minded persons who do not want to see the reform succeed. Fortunately, the overwhelming majority of servicemen welcomed the reform. They expected it for a long time, and they have shown that they support it.

The seizure of the military vessel was a criminal act. A group of servicemen seized the vessel by force, and their goal was for other servicemen to join their mutiny, which would cause very serious problems for the country. This act has infuriated all servicemen and all honest officers in the Albanian Army who love the homeland.

Without doubt, the culprits will receive their deserved punishment. All the servicemen who committed this deed were immediately handed over to the justice organs and will be punished according to the law.

[Koleci] Everybody thinks, Mr. Minister, that this was a serious breach of discipline in the Army.

[Zhulali] Of course it was a serious breach of discipline. It was an act of treason. However, unfortunately, it found support from certain definite political forces. The newspaper ZERI I POPULLIT has become a supporter of such behavior. For more than one week, the pages of this newspaper have carried articles opposing the implementation of the military reform. In particular, yesterday's and today's articles were highly unscrupulous. Yesterday, the newspaper issued an outright call to servicemen to rise in revolt, by manipulating figures and using false interpretations, while today's article exceeds all journalistic bounds and directly sets itself against the president with the big subhead: Where Are You Leading the Army, Mr. President? It makes the president responsible for the destruction of the Army, claims that his measures and the way the military reform is being carried out weaken the defense capacity of our country, and virtually accuses him of high treason. Of course, these are ugly acts whose goal is destabilization. This behavior has met the reply it deserves under the law, because such acts destabilize the country and are in opposition to the democratic road that our country chose at the democratic elections of 22 March.

[Koleci] What message would you now give to military personnel on this occasion?

[Zhulali] I would tell military personnel that they must be determined and continue to carry out the military reform. All servicemen have expected and welcomed this reform. This reform will make our Army a modern army, a disciplined army, an army housed in barracks, an army that will totally serve the country's defense and will be proof against any slander made against it. I stress once again that we are determined in this matter.

[Koleci] Thank you, Mr. Minister.

People's Assembly Discusses Economic Reform

AU0807165692 Tirana ATA in English 1004 GMT 8 Jul 92

[Excerpts] Tirana, July 8 (ATA)—On July 6 the People's Assembly continued its proceedings related to the interpellation of the Minister of Finances and Economy, Genc Ruli. The chairman of the Presidency of the People's Assembly, Pjeter Arbnori called on deputies to air their views on the material submitted on behalf of the government. Then 24 deputies from all parliamentary groups thanked Mr. Ruli for the overview presented realistically, with competence and transparence with regard to the economic state at home, the explanations he gave in regard to the economic reform, etc. The speakers appreciated the economic policy pursued over this three month time and the endeavors of the government of Mr. Meksi to cope with the grave situation, and

in this regard their also expressed their objections. They said that there is no development without reform and to this end it is necessary to step up action for the further privatization, development of production, fight against speculators and corruption, etc. They also said that the stabilizing measures which make up the initial stage of the reform must not suffice the government but it must strive and have clear the reform in all the aspects, etc. [passage omitted]

Then the Assembly reviewed the draft law "On Prices and Tariffs" which is an important step toward prices fixed freely by economic subjects according to demand and offer in the market. The Council of Ministers is the sole state organ entitled with the right to fix prices and tariffs.

In the end the deputies approved this law in general.

The Assembly continues its proceedings today.

Meksi, Council Discuss Customs, Compensation Bill

AU0807143492 Tirana ATA in French 0851 GMT 8 Jul 92

[Text] Tirana, 8 Jul (ATA)—The Council of Ministers met on 7 July under the chairmanship of Prime Minister Aleksander Meksi in order to adopt various bills and to make certain decisions.

The Council of Ministers first examined the draft customs regulations of the Republic of Albania, prepared by the Ministry of Finance and the Economy. This draft is based on the Albanian tradition of laws on customs and on the customs regulations of the EEC, certain European countries, the United States, Canada, and Australia. The work was done in consultation with the customs experts of international organizations.

This highly important bill creates a legal basis for the state's economic and financial control of the export, import, and transit of goods, the delivery of postal packages, passenger transportation, etc.

The draft customs regulations consist of three chapters: The first outlines general dispositions defining the purpose of the work of the customs, the territory of the customs, the nature and organization of the customs service, the duties of customs officers, etc. The second chapter lays down the legal regulations and procedures for the customs inspection of goods and vehicles, and persons entering or leaving the territory of the Republic of Albania. The third chapter covers the customary procedure of customs clearance.

The government then revised the bill "On Drafting and Implementing the State Budget of the Republic of Albania," which authorizes the Ministry of Finance and the Economy to draft and implement a fiscal policy to be contained in the state budget.

The general provisions of the bill define the meaning of the state budget, which includes revenues, local budgets, and the social insurance and social assistance budgets.

The second chapter defines the procedure whereby the Ministry of Finance and the Economy drafts the state budget, and this ministry's competences and schedule of work .

The third chapter contains provisions on the implementation of the state budget. The government generally supervises its implementation, but the bill gives a special role to the Ministry of Finance and the Economy.

The Council of Ministers then approved the bill "On Compensation for Former Land Owners." According to this bill, the state recognizes the right to compensate proprietors and their heirs according to land registry or mortgage documents, or, when these are missing, by court decision.

Article Five defines the criteria for compensation. Owners are compensated in full for areas of land up to 10 hectares, and for larger areas compensation is calculated according to the following scale: Owners of areas of 10-100 hectares receive compensation to the value of 0.1 hectare for every hectare over 10 hectares. Proprietors who owned areas of 100-1200 hectares will receive compensation to a value of 0.01 hectares for every 100 hectares, and landowners owning more than 1,200 hectares will receive 30 hectares in compensation. According to Article Eight, the levels of compensation and a timetable will be defined by law.

The Council of Ministers also approved the bill "On Providing Book to Libraries Free of Charge" and three bills envisaging changes to the laws "On the Organization of the National Intelligence Service;" "The Forces of Order;" and "The Restoration of Ranks."

The government then examined and approved in principle the decree "On Creating the Agency for the Rehabilitation and Restructuring of Agricultural Enterprises," a body that will administer these enterprises. The government decided to revoke the decrees of the previous government granting construction sites in the center of Tirana and in the area behind the artificial lake. The decree entitled "An Amendment to the Decree of the Council of Ministers on the Criteria for Land Distribution" grants land to former political prisoners and victims of persecution currently resident in the countryside and who are not employed or housed in towns.

Pashko Says Voters Claim 'Rape of Democracy'

AU0907131792 Tirana ZERI I POPULLIT in Albanian 1 Jul 92 p 2

[Speech by Deputy Gramoz Pashko to People's Assembly in Tirana on 30 June: "Dictatorship Is Knocking Again at the Gates of Albanian Society"]

[Text] Honored Mr. Chairman and honored deputies: I have the right to make a statement because a statement mentioning me personally was made at the most recent session at the end of last week.

Declaration in Response to the Statement by the Democratic Party Parliamentary Group

Gentlemen, I visited my constituents yesterday to talk to them about the recent problems in the Democratic Party [PD] parliamentary group. I talked with voters in the town of Selenice and the villages of Armen and Peshkepi. The voters were furious. They were enraged that their elected representative could be subjected to a public trial by a group of deputies who are his equals. The voters called this the rape of democracy and, in a kind of referendum expressing a vote of confidence, they signed a petition addressed to the parliament. I am obliged to stand by this popular appeal because of the oath I took. I am obliged to associate myself with what the people of my constituency demand.

Time after time, various people in my constituency have brought me reports of the dire situation in which they live. Months pass without cooking oil or soap, and the rates charged by the tractor stations are crippling. The people are unsure about economic reform and economic aid from abroad. The voters of the constituency I represent therefore want to know what has become of the promises we made during the election campaign? The people demand openness. The people are especially indignant because they have recently heard of a plan to make Vlore a subprefecture, and it seems to them that this will lead to a north-south division. How can Vlore be left as a second-rate district? Vlore of the declaration of independence, Vlore of the battle of 1920, of the revolution of 1924, of Ismail Qemali, of Qazim Koculi, of national liberation, and the stand of the nationalists against the invader in 1939-1944?

Thinking about these problems, I have raised the issue of local government and the country's territorial division, which must be done on a legal basis. I was accused by the parliamentary group and the Assembly of violating the group's discipline and even, by some people, of being an agent of the Socialists. On this day, there were even insinuations about my expulsion. Why all this rigmarole, one wonders? For the sake of naive democracy, or because of democratic naivety?

The second issue I wish to raise [passage omitted in original], I have also raised the question of the group of blockmen [former Party of Labor leaders]. For the sake of justice, I have sought an explanation of the figure of Ramiz Alia. I want authentic light to be thrown on the Shkoder trial, and on the currency exchange scandal that plunged us into endless debts and led to our blacklisting by foreign banks. I have demanded an investigation of the corruption that is being discussed, in relation to my own person as well. I have insisted on the files being opened. However, some people have been scared by this. It has not merely fallen on deaf ears, but I have noticed that my words are being censored in the parliament, the press, and on the radio and television.

3. [number as published] The statement issued by the PD's parliamentary group is much shabbier than the opinion of the party that this group represents. It is full of speculation and demagogy, as was evident in the speeches of many deputies the evening before the statement was issued, which were about exposing tactics and strategies, spies, scenarios contrived abroad, and what not. In what volume of the Works—I mean the Works of Enver Hoxha—did they find all this?

A hasty connection is made with sabotage of the cause of Kosovo, just as the regime of the time made the same connection with the events of 2 July 1990. Everybody knows that I was the first Albanian politician to meet Rugova and that I signed the cooperation agreement between the Kosovo Democratic Alliance and the PD. Everybody knows that I have come out in favor of a solution to the question in a European context. I have preached all over Europe asking for Milosevic to be treated the same way as Saddam, and these statements are documented. Free speech that expresses the views of voters is becoming grounds for the incrimination of a deputy under regulations that nobody recognizes, which I have never signed, and which have been raised above the Constitution and the oath of the deputies. Remember Article 22 of the Constitutional Dispositions. The truth is that this parliament is fast sliding from democracy into oligarchy.

4. In connection with the problem of Azem Hajdari, his interview has been censored. By whom and why? It is said that he received permission from the parliamentary group to leave, but it is not said why. It is not said whether Azem Hajdari was angry before he left or not. What did he say about some of the PD's present leaders at the meeting of the parliamentary group one day before he left? A deputy chairman and founder of the PD goes abroad for several months, and not a single party leader officially sees him off. I ask for him to be given this honor, and find I have committed a crime. Meanwhile, the parliamentary group all but made an enemy out of Azem Hajdari at its meeting. The public has been told that he has gone abroad to study. This sounds ridiculous. I do not understand whether the parliamentary group is trying to lie to itself or to the public.

5. My statement of 23 June 1992 in itself expresses the general worry that the problems of democracy have become extremely difficult. The lack of openness compounds these difficulties. Secrecy is creating dissatisfaction and even disillusion. Weak laws that seriously vitiate the creation of a law-governed state and create unprecedented models are brought to the parliament. The Law on Enterprises seems to me the weakest in Albania's history. It is a centralist law that will distort the entire economic reform. It seriously violates the principles of the reform and the recommendations of the IMF and the World Bank. It is demagogy to say that the views of these bodies have been heeded, or perhaps the

idea is to throw dust in their eyes. I have asked five times for the government to come to us for an interpellation, and to be given our assistance, but without result. In the Economic Commission, I have asked for various ministers to come four times, but only one of these meetings took place. People say about every law, "Let us pass it as soon as possible because it is provisional." To me, this is amateurism in economics, politics, and democracy. It has been announced that the reform will take place on 1 July. With what budget, with what revenue, and with what expenditure? How will we explain to the countryside that a loaf of bread will cost 25 leks? How will we explain the fact that 293,000 people will be put on welfare before the enterprises' mode of operation has been determined properly? How will we explain the brake on inflation, which has now reached 400 percent, meaning that a salary of 2,000 leks today is not worth one of 400 leks in December 1990? Where are the government's financial resources? Where are the promises we made to the voters before the election? Are these not worrying issues? The state may have secured $50 million so far, and may secure a further $100 million, when $500 million are necessary. Foreign investment is not arriving, and foreign banks still refuse to deal with us. The budget deficit doubled between December and May, and is rising by 1 billion leks a month, three times faster than the average monthly increase last year. Where will we obtain this money? Then, they produce laws that put us back on the lines of a command economy. They increase taxes, double the gasoline price, confiscate the goods of private persons, and organize an armed army against emergent capitalism which they call the Financial Police and state control. I oppose all these things and will continue to oppose them.

I say the situation can be solved. Let us therefore solve it together. How many times have we discussed these things in the PD, in parliament, or on television? Never. In parliament, they only ask us to raise our green cards, never to think rationally. The views of the minority within the parliamentary group are never respected.

6. The statement of the PD parliamentary group speaks of economic and political corruption. It is unworthy of deputies to make allusions which, if unsubstantiated, remain insults and slanders. The texts of statements have a historical responsibility. Let the gentlemen who level accusations in this forum produce what papers and facts they possess. If they do not possess such things, their responsibility is serious, because they are deceiving the people. Let those responsible be punished.

7. The statement of the PD parliamentary group mentions a blank check. I do not want to digress, but I must explain to these people that the blank check was what the world began to give us: Albania's membership of the CSCE, the IMF, the World Bank, and the European Bank for Reconstruction and Development. The blank check has been the two years of food aid granted to an Albania that produces nothing but paper money.

8. The exhumations [of Enver Hoxha and other communist leaders, including Pashko's father] are mentioned. I publicly state that exhumations of this kind are against my Christian morality. This moral view of exhumations is the same as that shared by Europe, a continent of which we want to become a part.

9. My statement about the National Stability Government is mentioned. I stand by the contents of this statement. Economic catastrophe would not be on our doorstep as it is today. The state budget deficit would not have risen and the pain of reform could have been overcome more easily if the economic situation had not been left beyond all control, as happened in the following four or five months.

Regardless of what is said about me, I remain an anticommunist. I am for the eradication of communism. I favor a struggle against communism and its little brother socialism, not a struggle against people.

Honored deputies, we are taking our first steps in democracy, but I notice with pain that political passions, inflamed beyond all bounds more by a primitive lust for power than by ideological divisions, are attempting to obstruct the legal channels of democracy, thus breaking the rules of the game. Passions have finally acquired the strength of the majority, and under its pressure they are passing blanket laws and contradictory orders and decrees that do not serve democracy, but serve power. Power is thus threatening the rule of law, in the name of democracy. In the name of freedom and my duty as a deputy, I am therefore impelled to state that dictatorship is again knocking at the door of Albanian society. For this reason, out of respect for the times in which we live and recalling once again the prolonged and inevitable sacrifices we are undergoing and the sublime achievement of the students and the entire Albanian people in recent years, allow me, gentlemen, to publicly reemphasize from the highest forum of our society the responsibility the people's vote of confidence has given us to establish a law-governed state, a market economy, and the inviolability of human rights. Time has not forgiven and will not forgive those who abuse their power. Alas for him who does not perform the moral duties that the times demand.

I submitted to the PD National Council today the petition of my constituency and my memorandum in which I ask for an opinion to be expressed on this petition. I will decide my own position on the basis of this opinion. I learned that the National Council was disinclined to consider my constituency's petition. I am bound by the will of these people, and therefore consider it unpardonable that the petition should not be considered. Regardless of the mechanism that was found and the artifice that was used, I thank the PD parliamentary group for the favor of expelling me, thus morally rescuing me from complicity in what I believe will happen.

Response to the Speeches of PD Deputies

I issued a statement in response to a statement that commented on myself. I have my own dignity and personality. It is normal for them to insult me, to outrage my personal dignity, and to ask to see the title deeds of my house. It is normal for them to investigate my private life. My view is that it is not part of anybody's dignity here, especially ministers representing the Albanian state, to enter into such details. I respect the government. I respect the PD, and am one of its founders: The PD's first programs were written in that same house whose title deeds are now being demanded. That is not important. I stand here as a deputy of a constituency. In that constituency, to the extent that I could sound its opinion in three or four hours (I said that I did not take a vote because this cannot be done legally), people told me: "Go on, stand firm. You are our deputy and we elected you for a certain period of time." I represent the people here. I am not at a private forum, and I am not among friends. I am here with a regular mandate from Constituency No. 99 and have 72 percent of the votes according to Albanian law. I am therefore the voice and representative of those people. If certain gentlemen want me to stop speaking, I say that these gentlemen are stopping the people from speaking, not me. I have the right to speak as an individual, but when I speak as a deputy in this sacred hall, I speak in the name of others.

The gentlemen must realize that the problem here is that no rule book can stop a deputy from speaking. The Constitution is the deputy's rule book. This is the law-governed state that we seek to build. This is the lecture on democracy that I wished to deliver to the previous speakers. I would invite them to continue our discussion, but this would not benefit them.

I would not allow myself to deprive anybody of the right to speak. What I asked for in my statement was openness. I know what a market economy means, regardless of the doubts entertained by those who were exercising the profession of chairman of an agricultural cooperative at the time when I was studying the market economy. I am sorry that the theory of shock therapy was mentioned in the course of this analysis. Such very serious criticisms of shock theory have been leveled against me in ZERI I POPULLIT. I am also sorry that the Socialist deputies are trying to profit from this situation. I state publicly before the people and want the electorate to hear me when I repeat the words I have already stated: I am an anticommunist and an antisocialist.

The problem is, which of the previous speakers should we believe? Shall we believe the PD chairman, who said that Mr. Pashko has made a contribution? Shall we believe the gentleman who said that Mr. Pashko drafted the PD program? It is true that I was among those involved in the drafting of both the first and second programs.

Investigation of Former Politburo Members Ends

AU0907164892 Tirana Radio Tirana Network in Albanian 1600 GMT 9 Jul 92

[Text] The investigator-general's spokesman reports that investigations have been concluded and the following defendants will be brought to court: Adil Carcani, Manush Myftiu, Nexhmije Hoxha, Rita Marko, Hekurani Isai, Qirjako Mihali, Simon Stefani, Lenka Cuko, Foto Cami, Prokop Murra, Pali Miska, Hajredin Celiku, Besnik Bekteshi, Muho Asllani, Llambi Gegprifti, Vangjel Cerrava, Xhafer Spahiu, and Kino Buxheli. The 18 defendants are accused of appropriating state property, serious embezzlement, and misuse of office.

Besides the other defendants, the accused Simon Stefani was also arrested yesterday. The accused Adil Carcani, Prokop Murra, Foto Cami, and Lenka Cuko were placed under house arrest. After investigations resumed, Sulo Gradeci was also arrested yesterday and accused of the appropriation and misuse of state property.

Zhelev Meets With Kohl, Discusses Aid, Stability

AU0907193392 Sofia BTA in English 1835 GMT 9 Jul 92

[Text] Sofia, July 9 (BTA)—President Zhelev met with Mr. Helmut Kohl in the afternoon. The West German chancellor assured the Bulgarian head of state that the G-7 [Group of Seven] summit in Munich had not turned into a forum on the problems of Russia. The G-7 had focused their efforts on finding a suitable formula for assistance to all former communist states. Mr. Kohl expressed his opinion that democratization is more positively charged and is progressing much faster in Bulgaria than in the other new democracies. Mr. Helmut Kohl showed keen interest in Bulgaria's internal political stability. President Zhelev stressed this country's efforts to keep its social and political stability by legislative and executive measures.

President Zhelev also met with Mr. Askar Akayev, president of Kyrgyzstan.

Foreign Minister Stoyan Ganev held talks with the Greek prime minister and minister of foreign affairs, Konstandinos Mitsotakis. The sides confirmed their willingness to identify mutually acceptable solutions to the pressing issues of Bulgarian-Greek relations. It was agreed that the talks on the distribution of waters of the shared River Mesta, which started in Thessaloniki, will be resumed in Sofia in mid-July. The importance of Mr. Mitsotakis' forthcoming visit to Sofia, preceded by serious preparation on both sides, was reiterated.

Mr. Stoyan Ganev met with the British Foreign and Commonwealth Secretary, Mr. Douglas Hurd, who assumed the EC Council of Ministers presidency on July 1. The sides considered an opportunity for the Bulgarian foreign minister to visit London in early autumn in an effort to promote Bulgarian-British relations.

National Bank Cuts Base Interest Rate

AU1007054492 Sofia DEMOKRATSIYA in Bulgarian 1 Jul 92 p 1

[DEMOKRATSIYA staff report]

[Text] At a 30 June session, the Bulgarian National Bank [BNB] Board of Directors set a new base interest rate of 49 percent per annum for credits in leva for refinancing commercial banks. The decision came following strong criticism that the high level of interest rates was becoming an inflationary factor. The BNB considers that the favorable development of the economy and the reduced inflation rate permit this step. The lower base interest rate will encourage production and help stabilize the lev exchange rate. According to specialists in macroeconomics, the lower base interest rate will act as a major stimulus for investments in the Bulgarian economy.

BSP Prepares for Campaign Among Constituents

AU0907185492 Sofia Khristo Botev Radio Network in Bulgarian 1730 GMT 9 Jul 92

[Text] At an extraordinary news conference held by the Bulgarian Socialist Party [BSP] members of parliament [MP's] and the BSP Executive Bureau in Sofia today, Zhan Videnov, the party's leader, announced that the socialist National Assembly deputies will spend 9-14 July in their constituencies, especially among workers collectives where social tension prevails and where they intend to explain their stands.

A forthcoming nationwide collection of signatures is also planned to protest the actions and inaction of a government that is already doomed to failure, the Chief Prosecutor's actions, and a judicial system that is politically biased in the extreme, Zhan Videnov declared.

At a closed-door session of the BSP deputies, which began yesterday morning and is still continuing, the deputies' propaganda work and their specific tasks in this area were discussed. Particular attention was devoted to the participation of BSP MP's in the festivities devoted to the anniversary of signing the new Constitution, which are scheduled for 12 July, and to the work of liquidation commissions in the rural areas.

It was announced that BSP deputies have already saved part of their wages for the establishment of a fund in support of individuals affected by the new regime.

Zhan Videnov is convinced that new elections are a vital necessity and the sooner they are held, the better it will be. Nevertheless, the BSP shall not permit the ruling forces to blame the opposition for the elections.

As Georgi Pirinski said, the BSP is not trying to extort political advantages from its walk out in parliament. It is a question of duty before society and before the BSP supporters. It is a question of resisting the policy pursued by the Union of Democratic Forces [SDS], which is antisocial, antidemocratic, and pro-monarchist, a policy for which the constituents certainly did not vote.

BSP To Cooperate With, Not 'Take Over' Unions

AU0807200192 Sofia DUMA in Bulgarian 29 Jun 92 pp 1,2

[Dora Chichkova report: "There Will Not Be a 'Red Trade Union,' The Bulgarian Socialist Party Prefers to Cooperate With Trade Unions Rather Than Take Over Them"]

[Excerpts] The Bulgarian Socialist Party [BSP] categorically refused to establish its own trade union or to "integrate" with existing trade union centers in order to take over them through subversion. The Socialists are free to join any trade union organization whatsoever, according to their preferences. This was decided by the BSP Supreme Council and the Socialist deputies at their meeting on Saturday, 29 June. [passage omitted]

According to the BSP Supreme Council, trade union pluralism and the system of tripartite social partnership and coordination of interests should be guaranteed by law.

The coordination of economic efficiency with social justice, the reduction of the unemployment rate, the guarantee of minimum wages in accordance with the minimum living standard, the participation of working people in the management of enterprises and in privatization were pointed out as the main spheres of cooperation between the BSP and trade unions.

The BSP Supreme Council established a commission on trade union policy chaired by Anton Grigorov, a member of the BSP Supreme Council's Executive Bureau. According to a concept submitted by Georgi Pirinski, the commission is in charge of preparing and organizing a trade union council. [passage omitted]

The session of the BSP Supreme Council adopted a declaration protesting antidemocratic trends in society and the repressive policy of the ruling forces.

'Punishment' Seen as Necessary for Reconciliation

AU1007083692 Sofia DEMOKRATSIYA in Bulgarian 27 Jun 92 p 1

[Georgi Petrov article: "Some More on the Subject of National Reconciliation"]

[Text] The question of reconciliation recently became very topical, especially since the establishment of the so-called Alliance for Social Democracy [OSD]. As a matter of fact, from 1918 to 10 November 1989, Bulgaria was subjected to constant bloodshed and internal struggles. We were actually involved in a permanent civil war. Today, the situation in our country is deliberately described as dramatic, pretending that we are on the verge of civil war. As if prisons and concentration camps were again crowded with political inmates, just as was the case under communism! Being born and raised in Lovech, I was often an involuntary witness to militiamen running along the banks of the Osum River with their angry dogs to catch escaped concentration camp prisoners, who—for a brief moment at least—had managed to rescue themselves from that hell. I saw how cruelly prison guards maltreated unfortunate people who were building a park in the Stratesh area. I observed the same scenes at the building sites for the Bulgarian Communist Party [BCP] Okrug headquarters and the stadium in Lovech. What an outrage! These long-suffering victims, these martyrs I have just described, are now supposed to make peace with their torturers. Who is talking about reconciliation when the Union of Democratic Forces [SDS] has always declared itself in support of understanding with all political forces? Has even one single individual been sentenced for his political convictions or been sent to a camp without trial during the SDS government's term in office? Reconciliation? Yes, but before it takes place, the culprits should be subject to their deserved punishment because we cannot talk about a third national disaster without naming the culprits. The people who appeared on the so-called "list" recently published by DEMOKRATSIYA [listing former BCP Politburo and government members who are subject to legal investigation] used to live "like kings." They stole from our pockets. Today they have to answer before the law.

Let us clarify one thing: The SDS has no claims on rank-and-file Communists. They not only did not benefit from the system, but were even victims of exploitation like all other Bulgarians.

Today, we must read the whole book of the past, rather than only one page, the crimes of the communist leadership being too numerous. Only after everyone has read the book can its pages be closed. Our people are not seeking revenge. This is against their nature. Nevertheless, they are demanding justice. Only after justice is done, will the passions calm down. Naturally, even in that case there will not be any question of mutual embraces and "Russian style kissing" between the ruling party and the opposition. Neither Conservatives and Labor Party members in Britain nor PASOK [Panhellenic Socialist Movement] and New Democracy members in Greece are embracing each other in parliament. Such are the rules of parliamentary democracy, and the sooner we learn them, the better it will be for the entire nation.

All the rest, the stories about national reconciliation included, is idle talk.

Bulgarian Socialist Party [BSP] representatives have spoken in favor of just punishment for criminals on more than one occasion, at least in words. This is the only way for them to show the people that their party has really changed. I would like to believe that at least for once, they were telling the truth.

Slovak Prime Minister Criticizes Czech Actions

LD0907224892 Bratislava Slovak 1 Television Network in Slovak 2030 GMT 9 Jul 92

[News conference by Slovak Prime Minister Vladimir Meciar in Bratislava on 9 July with unidentified reporters; from the "Aktuality Plus" program—recorded]

[Excerpts] [Reporter] Mr. Prime Minister, I welcome you to the syndicate of Slovak journalists. I would like to point out that I welcome you in the name of the members of the Association of Slovak Journalists of [words indistinct].

First of all, allow me to ask where you are coming from.

[Meciar] Thank you for your welcoming words. I came from Prague a while ago.

[Reporter] What news are you bringing?

[Meciar] I had a meeting there with the ambassadors of all the EC countries, except for Ireland. The news is good after two to three hours of mutual explanations.

[Reporter] I will return to what we started at our last meeting at the government offices. We are now very concerned about the image of Slovakia in the world—and even in Prague. Why am I asking this question? I am asking this question because, as one of the representatives of the public, I have recently gained the impression—and I have verified it during some trips in Slovakia—that people have ceased to understand what the current Slovak political representation wants with regard to Slovak sovereignty.

[Meciar] If you allow me, above all it is very important that the image of Slovakia corresponds to the realities of Slovakia. If foreign representatives, entrepreneurs, politicians, and others should get to know us according to what is being written about Slovakia in the papers and, for the most part, is determined by Prague's point of view, then the image of Slovakia would be very bad.

The connection of interests is always (?gradual). First of all, we have information, then knowledge, contact, cooperation, and only after that is it reflected in the form of monetary expression. In other words, the importance of the image is an attempt by Slovakia to provide objective signals about itself in the interest of both being incorporated into the system of all the relations of cooperation in Europe, and so feedback might be received for this offer for cooperation. Naturally, there are several possible activities that can be seen [word indistinct] Slovak. The first is that it wants to represent Slovakia as a country that has a subversive influence, that is unstable and politically disunited, where there are no guarantees of human and civil rights, and as such to create a wall, a barrier, of bias in establishing contacts.

The second direction is to voice a certain opposition—not so much an opposition, but a certain negative image—or to negate the Slovak Government so it cannot fully develop its activities abroad, and also to isolate it before it starts operating abroad. This is connected with the attitude of individuals. Similar things are happening in the Czech Republic.

I do not fear to term it, to a certain extent, a cold war against Slovakia when, for example, representatives of political parties in Bohemia—at least two recently—are expelled from parties only because of contacts with the Movement for a Democratic Slovakia [HZDS]. We are a legitimate party and others are having talks with us. We are also being ascribed mistakes that we have not made. That is why the questions of state-administrative relations have now found themselves in a position when parties explain their position.

Today Europe must ask itself the question who in fact is responsible for the disintegration of Czechoslovakia. The current picture where all the responsibility is borne only by the Slovaks is gone. Today I think the Czech side is not very interested in pretending that it is still concerned with coexistence. When you talked about some things appearing to you differently, the Movement for a Democratic Slovakia has not deleted anything from its program or its steps that it is taking. Furthermore, we must say the attitude of the Czech side has changed very vehemently ever since the first set of talks that we had and that are remaining hidden for the public, where from the very first day what is being talked about was not emancipation, was not division of the state, but some kind of a wild disintegration. We did not want this.

For example, we proposed to the Czech Republic and to the delegation of the Civic Democratic Party—and we keep proposing it—that we want them to recognize that there exist two subjects that will behave as subjects of international law; which means, on the level of international law, two states. But at the same time, we said there are so many relations between the Czechs and the Slovaks that we do not need to break everything and that we will preserve a common market space, one currency—we stopped talking about a common currency, we gave up ground. We will preserve the administration of the market and the currency; we will preserve the coordination of foreign policy; we proposed that we bilaterally adopt the pledge that on the territory of both republics we will guarantee equal civil rights so there is no [words indistinct].

Nothing from our proposals has been adopted. We have been told unequivocally and in an ultimative manner: either you will accept the federation or there will be division into two states with all the consequences, including the currency, at once—at the (?earliest) by 30 September and at the latest by the end of the year.

I found out there is a secret report by the Czech Government that has not been published. Today its contents are known to me. It envisages what the Czech Government will do in dividing the state in 24 hours, in 48 hours, in a week, and what then.

[Reporter] How is the Slovak Government going to react? [passage omitted]

[Meciar] We have drafted the constitutional course of action of how to react to this, including several elements for the Czech side whose draft of the constitutional course of action is weaker. We know how to prepare the state administration to make it capable of coping with such a transition before the end of this year.

We have not prepared anything—and no one has done so—in the currency sphere for the case of such developments. In reference to the two currencies, the Czech Republic does not wish to share the same currency with us because they literally told us that they did not see any purpose of common currency or one currency. We agreed and even withdrew our demand for our emission bank, we said: Let us have just one, but let us have an equal representation in it. Let us have one currency, let us have one economic policy.

When this was rejected, we had to take into consideration the option of being prepared for a variant of different currency. After taking note of all the experts in Slovakia, I am shortly sending a group of people abroad where they have already agreed to help us. Once they return we will progress as far as these issues are concerned.

As far as the succession rights, different things can happen. An agreement on a split could be reached which the present Czech representation would accept as an agreement between the Czech National Council and the Slovak National Council. Nevertheless, this course of action is not constitutional and this means that the law would have to be changed in such a way as to make such an agreement acceptable.

Moreover, in our program we promised the citizens that we would hold a referendum. It is being rejected in the Czech Republic, while Slovakia accepts a referendum which can come also to a different conclusion than presumed at present. If we carry out such a referendum according to the present law it would be a referendum on a secession. Views have already emerged that there are a few million Slovaks living in Bohemia and therefore it would be correct if the Czech Republic is going to be called the Czechoslovak Republic also in future, becoming the legal successor in all the obligations and thus we would need to deal with it in order to enter in all the contacts.

[Reporter] Mr. Prime Minister, I would like to return to the issue of a referendum. [passage omitted]

[Meciar] There is no possibility of a referendum in one month or two months' time. First, the constitution of the Slovak Republic has to be adopted, talks between the Czech National Council and Slovak National Council have to end, and we have to have a clear idea about the issues and prognoses and tell our citizens the truth that if this takes place, one is at first going to be in disadvantage but later on will enjoy advantages. We have to provide them with as much information as possible, to inform them with all sincerity and give them the right to decide.

We have been implementing the nation's right to self-determination and not the government's or the National Council's right to self-determination. We have the mandate to prepare all these steps, to face citizens with all the responsibility and tell them: you decide your fate, but there will be positive results and negative ones.

[Reporter] You mentioned the idea that we have found ourselves in the cold war—that in fact this is an abnormal situation, [word indistinct] state of emergency, as the economic pressure is supplemented by the fact that Slovakia is literally flooded by an avalanche of disinformation and literally spurious information and hidden meanings from Czech journalists. [passage omitted]

Without a sovereign information system, without sovereign information produced by us and spread by us we cannot preserve our sovereignty.

[Meciar] My criticism of the F1 [television] program, of the F1 station which was aimed at having this channel transferred to the Czech Television and Slovak Television has been understood as an attack on the freedom of democracy. [passage omitted]

Also, journalists have to observe a certain moral limit. It is not possible for somebody who has attacked one in the course of the whole year and added hidden meanings not included in the reports to sit beside me and pretend that everything is all right and let us go on and be democrats.

[Reporter] I would like to ask you where these attacks to discredit Slovakia, your person, the elections result, etc., so strongly come from? Who stands behind them? We are in such a geopolitical position that it simply is not decided only in certain Czech circles. [passage omitted]

[Meciar] The laundering of the conscience of the people in the Czech lands has been going on for a long time. It is effectuated in various ways. Now we can speak about it openly, earlier we could not do that—but maybe we shall become suspicious after this discussion.

First, I would like to stress that the Movement For a Democratic...[pauses] For a True Image of Slovakia is not the Movement For a Democratic Slovakia. Those are two different subjects. Further, I would like to point out in this context that at present we see the birth of an up to now unseen revival of Czech nationalism, but the arguments which are used are positively not from the Slovak side. The president is such an emotional factor at the moment. Neither he, nor anybody else responds to that. If there is such a wave of, literally, hatred for Slovaks, I am only sorry that the politicians who are assuring us about their concern for good relations are not objecting to it.

If we take Slovak media, there are two interests. One is the interest of the government coalition which had placed their people very quickly in positions to preserve

their influence in the media for the longest possible time. So the government coalition does not exist any more but their people, their influence has remained. For example, in the television council the Christian Democratic Movement has a significant majority as we saw when we tried to calculate what the expected further development there could be. It is also reflected in foreign interest. For example, the interest in TA3 television channel ensues from the fact that those who have acquired it are merely puppets which appear here in Slovakia. The interests are foreign and far away. [passage omitted]

[Reporter] We know that after the revocation of Mrs. Rita Klimova from the post of ambassador in the United States, the president of the republic appointed Zantovsky for this post. Can nothing really be done about that?

[Meciar] We agreed about our federative relations that by 30 September a new proposal for the model of the federative set-up will be prepared. This means that several ministries will be abolished, powers will be mostly transferred to the republics, something will still remain common but even in the case of the ministries that will remain common we shall have talks about which powers should be transferred to the republics. That is the state which should be created by 30 September. We agreed about foreign representation and for the first time the Czech side agreed to parity in representation in the government and parity in diplomatic service. Of course, on our part we were mostly interested in the Ministry of Foreign Affairs of the United States. I spoke about this with Minister Moravcik in Prague yesterday. He told me that the U.S. Government sent a letter of acceptance for Mr. Zantovsky as ambassador. I asked Minster Moravcik to discuss this question once again and not to conclude it, since the president does appoint but must get the proposal from somebody.

[Reporter] The Hungarian question is being used by the Czechs as the Trojan horse in their pressure on Slovakia. [passage omitted]

[Meciar] We have to make a distinction between the policy of the Hungarian Government and the policy in relation to our citizens—I emphasize our citizens—of the Hungarian nationality. From the side of the Hungarian Government this is a global intention to create autonomous regions on all the territories inhabited by the Hungarians. We see this in Serbia, in Romania, in Ukraine. We see this tendency also in our country. I consider it a gross interference in our internal affairs when the parliamentary committee of the Hungarian parliament at the presence of the foreign minister calls on the Hungarian minority in Slovakia to demand autonomy and promises to assist this abroad. What do they intend to do abroad? This is our internal affair, purely the matter of an agreement between the Slovaks and the Hungarians.

As far as the Hungarians are concerned, it is necessary to say unequivocally: These are our citizens. They have all the guarantees of the rights and freedoms and are an integral part of the Slovak Republic and its territory. Any threats of deportations, threats of expulsion, are groundless and no one is going to harm them—if they do harm them then the state will have to intervene.

On the other side, we say that on their side the demands put forward by their politicians regarding coexistence with the Slovaks are acceptable for the Slovaks. They say they want autonomy. We ask: What is it? It is self-administration. But you have it! The communities are based on the principle of self-administration. I assume that it was not our intention to form regions with one office for the citizens of the Hungarian nationality and the other for the citizens of the Slovak nationality. Are we going to do this in towns as well? Are we going to have, for instance in Komarno, a town council for the Slovaks and town council for the Hungarians? We do not want this.

There is yet another issue here—concerning the language. Yes, they are going to use their language when dealing with state bodies. Nevertheless, their political parties cannot ask that documents be issued only in the Hungarian language as thus we would simply introduce the use of two languages on the whole territory and this simply should not be so.

We tell those Hungarian politicians allegedly acting on the Hungarians' behalf that we have introduced a free labor market—i.e. everyone has the right to apply for a job anywhere and moves to get a job. Why do they want to put our fellow Hungarian citizens in disadvantage on this labor market by making them unable to be understood and understand? Why do they force them into language isolation? We want them to develop their language culture and we are going to support this. Nevertheless, we also want them to master Slovak, too, as the language spoken and understood on this territory, used in employment. This is our common interest. This is nothing contradictory to their interest.

If the Hungarian side acts nowadays as a teacher who wants to teach the European nations how to treat the minorities, we tell them: if you are so good in it we are going to accept reciprocity—i.e. we are going to treat our citizens of the Hungarian nationality as you treat the nationalities on your territory. We say we are not wicked as we hold our Hungarian fellow citizens in higher esteem and thus we cannot do this to them, to accept the principle of reciprocity.

Nevertheless, at the same time we tell the Hungarian Government: Do not exercise pressure abroad which would force us to do so. Do not harm the citizens living here. The integration will take another course—not towards first forming autonomous entities—separating them in the sphere of state administration—but towards their spiritual separation from the other parts of the territory on which our Hungarian felllow citizens live. Later on they would use the right of self-determination in other ways.

We cannot afford not to take into account some signals—for instance caused by the fact that some troops were deployed (?north of) Budapest. We are aware of the fact that the Hungarian Army, especially the air force, is involved, despite the lack of money, in a rather intensive training—even above the level of NATO training flights. We do not think that they are going to attack us, for God's sake. Nevertheless, we do not like these phenomena of being aggressive against other countries. We have proposed cooperation to the Hungarian Government: agreement on markets, agreement on joint entrepreneurial activities. We are aware of the fact that investments which have been coming to Hungary, more than to any other states, will make it possible to stand on their own feet rather soon and they will look for markets. We are not going to be opposed to trade—but trade without political conditions, without political interference.

If they seem to be unable to get used to it, they should become used to it and if not we have to act in our defense. Acting in defense means to protect the rights of the citizens of the Slovak Republic, including all the nationalities. If a few politicians in our country think that they will do it differently and to set the Hungarians and Slovaks against each other and prepare the Yugoslavia situation, then we are going to treat them as subversives and people wishing to provoke massacre should be treated that way.

[Reporter] You said this very clearly. I think we waited for such words. Nevertheless, I think that this would take us to another subject—Slovakia's defense and security policy—and I would be very happy if that becomes the subject of our future meeting as I hope this is not our last meeting. Thank you very much for finding time to come here. [passage omitted]

[Meciar] Let me tell you that we are facing a historic opportunity and historic test and we are not going to fail it. Help us not to fail it.

Havel, Hungary's Antall Discuss Possible Split

LD1007134992 Prague CSTK in English 1032 GMT 10 Jul 92

[Text] Helsinki July 10 (CSTK correspondent)—Hungarian Premier Jozsef Antall today told Czechoslovak President Vaclav Havel that Hungary is neutral on the issue of Czechoslovkia's possible breakup.

Hungary has no interest in Czechoslovakia breaking up, Antall said, and would like to cooperate with both the Czech lands and Slovakia.

Havel's spokesman Michael Zantovsky said Havel assured Antall that the rights of Czechoslovakia's Hungarian minority are guaranteed by law, and that on his trips to South Slovakia, which is heavily populated by Hungarians, he has seen no sign of enmity between Hungarians and Slovaks.

Zantovsky said the two leaders did not discuss demands by representatives of Slovakia's Hungarian minority for territorial autonomy if Czechoslovakia breaks up.

Havel and Antall also spoke about the controversial Danube river hydroelectric project at Gabcikovo.

Antall said the dispute must be solved in cooperation with the European Community. The Czech side agreed with this assessment.

Zantovsky said that in a meeting with NATO General Secretary Manfred Woerner, Havel said Czechoslovakia is likely to break up.

Woerner said that while this would be regrettable, NATO would continue to seek to work with both the Czech and Slovak successor states.

EC Accord To Be Renegotiated if Split Occurs

LD1007140892 Prague CSTK in English 1218 GMT 10 Jul 92

[Text] Helsinki July 10 (CSTK correspondent)—Czechoslovakia will have to renegotiate its association agreement with the European Community (EC) if the Federation breaks up, Jacques Delors, the president of the EC Commission, said today.

In a meeting here with Czechoslovak President Vaclav Havel, Delors and a delegation of other EC officials said that, in particular, the parts of the agreement dealing with trade would have to be reworked.

Havel's spokesman, Michael Zantovsky, told CSTK that if the Czech and Slovak Republics were to split, they would have to agree on dividing between themselves the trade quotas provided for in the agreement.

He said there would be "certain technical problems, given that there is no automatic procedure for the eventuality of a state dividing", adding that the EC's relationship with the successor states "depends on the EC Council of Ministers".

The EC officials said that in any case, if Czechoslovakia breaks apart, it would delay the ratification of the agreement.

They told Havel that much depended on the relationship between the two republics, noting that it would simplify the new negotiations if, for instance, a joint foreign trade policy were preserved.

Signed December 1991 in Brussels, Czechoslovakia's accord with the EC is designed to gradually dismantle trade barriers on agricultural and industrial products between Czechoslovakia and the EC over the next 10 years.

It calls for increased freedom of movement for labour and capital, and also institutionalises political dialogue between Czechoslovakia and the European 12 [EC].

Hungary and Poland both signed similar accords last year.

Independence Attempt May Slow Admission to EC

LD1007101892 Prague CSTK in English 2038 GMT 9 Jul 92

[Text] Prague July 9 (CSTK)—European Community (EC) special envoy to Czechoslovakia Leopoldo Giunti today said the EC fears that Slovakia's attempts to gain independence might slow down Czechoslovakia's economic development and delay its admission to the EC.

Giunti said this in a meeting with Federal Parliament Chairman Michal Kovac. The talks were held at Giunti's initiative.

According to the Federal Assembly's press department, Kovac replied that this was a misinterpretation of Czechoslovak developments and a superficial view on the part of the EC.

Relations between the EC and Czechoslovakia should be modified in accord with the latest developments in Czecho-Slovakia, Kovac said. He added that it is necessary to preserve stability in Europe, but he did not rule out that instead of Czechoslovakia, two (Czech and Slovak) independent states will join the EC.

Also today, Slovak Premier Vladimir Meciar had lunch with EC ambassadors at the British Embassy residence in Prague.

Anna Nagyova, director of the Slovak premier's office, told the Slovak news agency TKSR that the meeting focused on political and economic issues.

Army Prepared To Participate in NATO Actions

AU0907205192 Prague MLADA FRONTA DNES in Czech 4 Jul 92 p 3

[CSTK report: "NATO Peaceful Actions with Czechoslovak Soldiers?"]

[Text] Brussels—NATO General Secretary Manfred Woerner said at a seminar with the alliance's new partners (Czechoslovakia participated, too) that the era of mutual introducing has come to an end and the era of actual cooperation is beginning. The Czechoslovak representative in NATO said at yesterday's meeting following the seminar that the CSFR is prepared, in conformity with its new doctrine, to participate with its troops in NATO peaceful actions if they are undertaken under CSCE auspices.

Moravcik Outlines New Federal Foreign Policy

AU0907130992 Prague LIDOVE NOVINY in Czech 8 Jul 92 pp 1,4

[Interview with CSFR Minister of Foreign Affairs Jozef Moravcik by Alexandr Kramer; place and date not given: "Time for Greater Pragmatism"]

[Text] [Kramer] Minister Moravcik, is it possible to implement a conceptual foreign policy of a state that may fall apart in the foreseeable future?

[Moravcik] I am convinced that it is possible. The principles of the government's policy statement states that the state's foreign policy will develop in the same direction as the present. All of the basic ties that took shape in the preceding period must be developed further. Should the state fall apart, two subjects will appear where there formerly was a single subject, but even these two subjects should continue in the same direction. In other words, our ministry must establish diplomatic prerequisites for this transition to be smooth and not to become a destabilizing factor in Central Europe.

[Kramer] Still, does your idea of the CSFR's foreign policy differ in any way from the concept of your predecessor, Jiri Dienstbier?

[Moravcik] We must orient our foreign policy so that, while maintaining continuity, it can live up to the tasks awaiting it in the coming period. We must draw certain conclusions from the discussions on the state's constitutional arrangement and from the model outlined in the political agreement between the two partners of the federal coalition. These conclusions inspire us toward greater pragmatism.

[Kramer] In what specifically?

[Moravcik] We shall, for example, devote greater attention to the establishment of international political prerequisites for the assertion of our economic interests. From this point of view, we should devote ourselves even more to relations with the EC. It goes without saying that Czechoslovak foreign policy should not give up its participation in the solution of global problems. Yet precisely those problems will compel us to place greater emphasis on specific ties, especially as regards the integration process in Europe. We want both republics to be able to become involved in this process.

[Kramer] What is your idea of the division of powers and cooperation with Czech and Slovak Foreign Ministers Zieleniec and Knazko?

[Moravcik] This cooperation must be very close. We are awfully pressed for time: In the event of the state's partition, it will be necessary to establish two complete sets [soustavy] to represent the foreign policies of the Czech Republic and the Slovak Republic. The national councils of the republics have time until the end of September to reach agreement on the nature of future

Czech-Slovak relations, but we must get ready immediately. That means that in this interim period we must make provisions for several variants.

[Kramer] The variant the Movement for a Democratic Slovakia [HZDS] proposes now is a confederation. How would the common foreign policy of such a community of states be formulated?

[Moravcik] The idea of a confederation is based on the premise that both republics would have their own status under international law. They would coordinate their foreign policies in the scope of their common interests, which would be defined in a treaty.

[Kramer] What if those interests came into conflict? Could, for example, the Czech Republic and the Slovak Republic vote against each other in various international organizations?

[Moravcik] I do not think they should. A certain mechanism for coordination should be agreed upon, similar to the one existing, for example, within the EC. The current established rules would be binding on both sides.

[Kramer] Even the present government coalition is, essentially, a marriage of convenience. Could you specify some areas of foreign policy on which the perspectives of the HZDS and the Civic Democratic Party [ODS] differ?

[Moravcik] I do not think there are any fundamental differences. As a matter of fact, this was clearly expressed in the political agreement between the HZDS and the ODS. It is possible that, in the event of the formation of two independent states, the diplomacy of the Slovak Republic will have to pay greater attention to relations with the Hungarian Republic. But these are only marginal issues. The basic thrust of foreign policy, toward Europe, is identical in both republics.

[Kramer] What about orientation toward NATO? Are we still interested in being admitted to that Alliance?

[Moravcik] Yes, we have agreed on this, and this long-term interest is expressed in the government's policy statement.

[Kramer] You mentioned Hungary. Relations with that country are getting more complicated. Will they not become even more complicated?

[Moravcik] This is definitely an area to which increased attention will have to be paid. Our efforts should be oriented in several directions. First of all, we must strive for an objective presentation, and perception, of the problem of national minorities in Slovakia. According to my conviction, the rights of national minorities in Slovakia are now guaranteed on a standard European level. We must convince the world that we have no evil intentions in this regard, quite the contrary. At the same time, we are of the opinion that the concept is wrong, and could lead Europe into a catastrophe, according to which the state that is inhabited by the mother nation should provide an umbrella [zastresovat] for all members of that nation and should seek statehood for them. We will try to convince our Hungarian neighbors of this, too.

[Kramer] Minister Moravcik, do you intend to make any extensive personnel changes within your department?

[Moravcik] In this specific situation it is necessary to consider the time factor. Should the internal political situation proceed in a direction suggesting that this ministry should discharge its specific duties until the end of this year, it would be very dangerous to radically intervene in its personnel structures. I will, however, enforce professionalism.

[Kramer] Yet the "earthquake" that is now taking place in the Slovak Government institutions is also being justified by the need for professionalism....

[Moravcik] I am certainly planning no earthquake. Certain changes will probably be made at representative offices abroad, in order to achieve a more balanced representation of the Slovak Republic there. This intention is, incidentally, expressed in the political agreement between the ODS and the HZDS. Both sides acknowledged that currently there exist disproportions there. We will consider these changes in the coming days, while naturally showing due regard for not endangering the CSFR's interests abroad in the process.

[Kramer] But it is apparent that the crisis of Czechoslovak statehood and the course of our presidential elections have rather weakened Czechoslovakia's credibility in the world....

[Moravcik] I would not put it that way. The credibility of the Slovak Republic has been weakened. This is negative, particularly for the Slovak Republic. But in the long run, the creation of Slovakia's bad image in the world is not in the interest of the Czech Republic either. Even now, we must do everything within our powers with regard to the fact that, even in the event of partition, two republics must live here side by side as friends, between which there will exist close ties. I, therefore, believe that we must explain our situation to the world objectively. This also applies to the presidential elections. Vaclav Havel is a highly regarded personality, also in Slovakia. The fact that a number of Slovak deputies voted against him does not mean that Slovaks reject democracy and the post-November [1989] development that he symbolizes. What these deputies expressed was a certain disapproval of his policies toward Slovakia.

Moravcik Responds to Hungarians' Autonomy Demands

AU0907201692 Bratislava SMENA in Slovak 4 Jul 92 p 2

[Interview with CSFR Minister of Foreign Affairs Jozef Moravcik by a "CS"-signed SMENA correspondent; place and date not given: "Will There Be Autonomy Or Not?"]

[Text] [SMENA] According to a CSTK report, at its meeting on 2 July the Hungarian Parliament's Foreign Affairs Committee arrived at the conclusion that, within the framework of the state borders, Hungarians in Slovakia have the right to some sort of autonomy. The Hungarian foreign minister has also essentially endorsed this view. Is it possible for autonomy to emerge in southern Slovakia?

[Moravcik] Our position is clear. It would be more appropriate to look at the issue from the perspective of Slovak political bodies as relations in Slovakia are concerned. From the viewpoint of Czechoslovak policy, it is in our interest that nationality problems be dealt with on the basis of conventions that have been adopted by the Czechoslovak Republic. Looking at the issue from this angle of vision, we can say that the arrangement of relations between ethnic groups in southern Slovakia is on a standard level and in some respects exceeds the European standard. As far as the problem itself is concerned, the crucial issue is that the population of Hungarian nationality does not represent an entity inhabiting a certain homogeneously settled territory. There are 1.3 million people in southern Slovakia. Besides citizens of Hungarian nationality, citizens of Slovak nationality and members of other nationalities live there, too. Autonomy for Hungarians would create the problem of a Slovak minority and that would be scarcely solvable. This is not just a Czechoslovak or a Slovak problem, it is a European problem. Europe avails itself of conventions for the solution of these problems, conventions with which Czechoslovakia complies.

Federal Officials on Proposed Policy Statement

LD0907172392 Prague Stanice Ceskoslovensko Radio Network in Czech 1600 GMT 9 Jul 92

[Text] [Announcer] The new federal government met in Prague today for its first regular session. Barbora Tacheci and Jaroslav Skalicky report from a news conference.

[Skalicky] On the agenda is mainly the draft of a policy statement that is still being discussed by the government. It is expected that it will be submitted to the federal parliament tomorrow.

According to the policy statement, the government will concentrate on the continuation of reforms, legislative and concrete preparation of the possible split of the state, and organizational issues of slimming down the government. As Prime Minister Strasky said, the greatest problems are caused by the decision on which jurisdictions will be transferred to the remaining federal bodies, which to the republics, and residual bodies have been taken on by the government. Most discussed were the issues of jurisdictions of the department of foreign trade and of the Federal Office for Economic Competition and Control. Whatever happens, by 30 September seven ministries will be abolished.

[Tacheci] Deputy Prime Minister Cic said part of the prepared policy statement will naturally be on foreign policy, the formation of tripartite bodies, and the completion of the legislative housing policy. The federal government also agreed on fundamental economic steps that will also be included in the policy statement. According to Deputy Prime Minister Filkus, the government will concentrate in particular on making the process of privatization more intensive, improving aid to small and medium enterprises, and intensifying the process of the influx of foreign capital to Czechoslovakia. When asked by Czechoslovakia radio how this government wants to achieve the last point, Deputy Prime Minister Filkus said: Mainly by assuring foreign investors that everything that happens and will happen in this country is done in a constitutional way. Our task is to deal more intensively with prospective foreign projects.

HZDS To Support Sacher in Presidential Ballot

AU0707125192 Prague CSTK in English 2002 GMT 3 Jul 92

[Text] Prague July 3 (CSTK)—Czechoslovak President Vaclav Havel thinks that the course and outcome of today's vote on his candidacy for the presidency proved the existence of different views on the person holding the post as well as political polarisation in a broader sense of the word, Havel's spokesman Michael Zantovsky told CSTK today.

If the president is not elected until October 5 the powers of the president will be exercised by the Federal Government. The president's authorisation to appoint or recall the Federal Government would fall within the powers of the federal parliament Presidium.

Czechoslovak Deputy Premier Milan Cic (HZDS—Movement For a Democratic Slovakia) told the Slovak news agency TKSR the HZDS still favours the candidature of a Czech for Czechoslovak president. He said the party will back the candidature of Richard Sacher, federal interior minister from December 1989 to June 1990, for Czechoslovak president.

Cic said he does not consider the failure to elect Havel federal president a step on the path towards a breakup of the common state of Czechs and Slovaks. He said the HZDS does not seek Czechoslovakia's partition but a change in relations between the Czech and Slovak Republics.

The HZDS is in favour of the creation of the post of president in both national republics. "Provided we agreed on a confederation (as a future form of coexistence of Czechs and Slovaks), then a rotating president of the Czech and Slovak Republic might become Czechoslovakia's president".

According to Czechoslovak Parliamentarian for the CSSD [Czechoslovak Social Democracy] Ivan Fisera,

today's failure to elect Havel Czechoslovak president will further complicate Czech-Slovak relations.

He said the CSSD opposes the idea of a "rotating federal president".

In tonight's television news programme, Czechoslovak ex-minister of the interior and former deputy to the parliament's House of the People Richard Sacher said he would accept his nomination for the post of Czechoslovak president in the second double-round vote, if proposed by parliament deputies.

Social Democracy Party To 'Insist' on Havel

AU0907130092 Prague CSTK in English 1256 GMT 7 Jul 92

[Text] Prague July 7 (CSTK)—CSSD [Czechoslovak Social Democracy] Chairman Jiri Horak said today the CSSD will insist Czechoslovak President Vaclav Havel run for reelection in the third double-round of voting in parliament.

Parliament failed to reelect Havel in the first double-round on July 3. Havel is barred from running in the second double-round, due July 16, though not in a possible third round.

Speaking before journalists, Horak said he believes some deputies who voted for Havel in the first double-round would not do so in later rounds, believing that Havel's failure to win reelection would provide another argument for splitting up Czechoslovakia.

In a statement released today, the CSSD says it is concerned that some Czech politicians are displaying a "tendency to put party interests above the vital interests of the nation and the state, and to gain political capital out of the long-unresolved issue of (Czechoslovakia's) state setup. And this at the price of the disintegration of Czechoslovakia".

Horak said the CSSD would not support the new Federal Government's programme statement if it contains time limits on the functions of the Czechoslovak Federation.

The CSSD is also opposed to the proposed abolishment of federal television and radio service, saying this would lead to the isolation of both Czechs and Slovaks. It supports federal legislation which would give state-run television and radio more independence.

Deputy Premier on 'Common Union of States'

LD1007104792 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 0600 GMT 10 Jul 92

[Excerpts] As we have already reported, at its first session in Prague yesterday, the Federal Government discussed and approved its policy statement and will submit it to the Federal Assembly today. [passage omitted]

As Deputy Federal Premier Milan Cic pointed out at a press conference, the Slovak side does not intend to speed up the break-up of the common state. What it wants is a new quality of relations between the two peoples. He also recalled that in this connection the Slovak side is not talking about a common state, but about a common union of states—a commonwealth [soustati]. This means that there are two independent republics interconnected by common interests in the economy, a single currency, common defense, and a common president of this union, he said.

Strasky on Criticism of Coupon Privatization

AU1007054692 Prague TELEGRAF in Czech 3 Jul 92 pp 1,4

[Interview with Federal Prime Minister Jan Strasky by Lukas Havlas; place and date not given: "Inter-State Clearing of Accounts?"]

[Text] Although the response by our leading politicians and economists to the recently concluded first round of coupon privatization has, for the most part, been highly favorable, there has been no lack of criticism by some leftist-oriented deputies of the imbalance between supply and demand. We, therefore, asked Jan Strasky (Civic Democratic Party), the new federal prime minister, for a general assessment. Besides holding the post of deputy prime minister of the Czech Republic, Jan Strasky has up to this time also been the chairman of the Czech Republic Economic Council.

"The results of the first round demonstrate our citizens' unusual interest," he told us. "I am convinced that, at the same time, these results indicate that the concept of several rounds can indeed ensure that the entire volume of property submitted within the first wave will be traded for shares."

[Havlas] Do you think that the interest of Slovak citizens in investing in Czech shareholding companies is indicative of something?

[Strasky] We anticipated this tendency and discussed it in the government several times. We ascertained, however, that, in view of the present state arrangement, it is impossible to make any decision that would change the original rules of the game for the first wave of coupon privatization. In this regard, the results come as no surprise to me. It is, in particular, the Slovak investment funds' greater interest in Czech property that represents a certain signal of confidence in Czech companies.

[Havlas] What will happen, in the event of the federation's breakup, with those shares of shareholding companies that have been retained in the national property fund?

[Strasky] What is involved is not the normal commercial trading of shares but, in a way, the distribution of the common state's property among its citizens for the "operating cost" of 1,000 korunas. In the event of the

partition of this state, I therefore cannot conceive of any other but the following solution: The difference between the property acquired by Slovak citizens and investment funds in the Czech Republic and the property acquired by Czech citizens and investment funds in the Slovak Republic would represent an item in the inter-state clearing of accounts between the two newly established states.

[Havlas] Will the method of approving privatization projects for the second wave remain unchanged?

[Strasky] So far we have received no information suggesting that there should be any changes to the legislative rules governing the approval of projects. It is quite possible, however, that the new Government of the Czech Republic will arrive at a somewhat different view concerning the solution of the last stage of privatization. It might, for example, establish a different working body to prepare recommendations or nonrecommendations of privatization projects for the Czech Republic Government, work that has until now been performed by the Economic Council.

Privatization 'Unlikely' To Continue

LD0707181392 Prague CSTK in English 1501 GMT 7 Jul 92

[Text] Prague July 7 (CSTK)—It is unlikely that the second wave of Czechoslovakia's voucher privatisation process will be organised on a federal basis, Czech Privatisation Minister Jiri Skalicky said today.

Speaking at a press conference of the ODA [Civic Democratic Alliance], Skalicky said the first wave, began May 18, must be finished without delay.

Under the coupon privatisation scheme, Czechoslovak citizens can purchase vouchers which can be invested either in state-owned enterprises or in mutual investment funds.

ODA Chairman and Czech Deputy Premier Jan Kalvoda labelled as "country-fair juggling" Slovak Premier Vladimir Meciar's statement, published Monday in the French press, that Slovakia does not want independence but is being forced into it.

Kalvoda said this kind of statement is neither appropriate nor truthful, given that the electoral programme of Meciar's HZDS [Movement for a Democratic Slovakia] promised a confederative setup for Czechoslovakia.

The ODA will support the holding of a referendum on the country's constitutional setup, according to Kalvoda.

Asked whether the ODA would consider Civic Movement (OH) Chairman and former Federal Foreign Minister Jiri Dienstbier an acceptable candidate for Czechoslovak president, he replied that thanks to the fact that the OH has no representatives in federal parliament, there is no dilemma to deal with.

German Party Supports Independent Slovakia

AU0707161992 Prague RUDE PRAVO in Czech 2 Jul 92 p 14

[Statement issued by the Sudeten German Landsmannschaft in Bonn; date not given: "The Landsmannschaft Criticizes Havel"]

[Text] Bonn—The Sudeten German Landsmannschaft defies President Havel's criticism of Bavaria for not supporting the Czech-German Treaty in the Bundesrat. This was indicated by the statement given to a CSTK correspondent in Bonn.

The Landsmannschaft described as "misleading" Havel's description on the 28 June radio program "Conversations from Lany" of Bavaria as unprepared for the fall of communist regimes in Central and Eastern Europe.

If President Havel declares that one cannot just wait for some country to warm up some long forgotten leftover historical soup, "it may be assessed as a negative comment on justified interests of the expelled Sudeten Germans," the statement reads. This comment "contradicts the so-often quoted 'spirit of the Czech-German Treatyj,' just as the reasoned statement of the Czechoslovak Government and the continuing auctions of Sudeten-German property do."

"Nevertheless, to completely overcome the communist and nationalist ideological structures, it is necessary to respect international law and the historical truth," says the statement, which in fact is the first open criticism directed by the Landsmannschaft at President Havel.

The National Democratic Party of Germany (NDP), generally considered a neo-Nazi organization, appealed to Federal Foreign Minister Klaus Kinkel asking that in the event that Slovakia declares its sovereignty, the FRG immediately recognize it. It is mentioned in the NDP release to CSTK in Bonn.

The party supports "the endeavors of Slovakia to secede from the CSFR state bond," the NDP states. At the same time it calls for "appropriate steps for a revival of the independent Slovak Republic."

Knazko on Declaring Slovakian Independence

LD1007111292 Prague CSTK in English 2057 GMT 9 Jul 92

[Text] Bratislava July 9 (CSTK)—The risks associated with declaring an independent Slovak state are no greater than the risks in other areas, Slovak Deputy Premier and International Relations Minister Milan Knazko said today.

In a meeting with journalists following a meeting of the Slovak Parliament's Foreign Affairs Committee, Knazko said that any doubts about Slovakia's southern borders are fictional.

He said that all of Europe's borders are inviolable and that any revision of any borders whatsoever could set off an avalanche that would be difficult to stop.

Reports on current events in the Slovak Republic have so far been distorted and should be called propaganda, Knazko told the Slovak news agency TKSR.

He stressed the need for Slovakia to create a national news agency once it adopts a declaration of sovereignty, in order to guarantee objective information.

Knazko added that it was important for foreign journalists to be accredited in Bratislava, the Slovak capital.

In today's meeting of the constitutional law committee, Slovak Justice Minister Katarina Tothova said the population's dissatisfaction with rising crime must be solved by bolstering the authority of independent courts, increasing legal protection for judges and raising judges' material and societal status.

In the committee for petitions, Legal Defence and Security, Committee Chairman Ladislav Polka emphasised the importance of freeing the police from carrying out an administrative agenda, as they did in the past.

Slovak Interior Minister Jozef Tuchyna noted that the main goal of his ministry will be to separate political decisions from those made on the basis of expert evaluations.

Peter Baca, slovak minister of food and agriculture, declared to the committee for agriculture, forest and water management the need to "return to a state monopoly on grain".

He said the move was necessary in order to ensure Slovakia's food supply.

Baca is also charged with running the Ministry of Forest and Water Management.

The committees of the Slovak National Council (parliament) met today to evaluate and comment on the Slovak Government's programme declaration, submitted to them by the cabinet Monday.

Possible Merger Between SDL, SDSS Viewed

AU0807192592 Bratislava NARODNA OBRODA in Slovak 3 Jul 92 p 3

[Article by Ivan Horsky: "A Dubcek-Weiss Partnership?"]

[Text] The leadership of two Slovak leftist parties—the Party of the Democratic Left [SDL] and the Social Democratic Party in Slovakia [SDSS]—agreed on establishing a joint working committee tasked with working out a draft for specific political cooperation between the two political parties. This will be done on the parliamentary and non-parliamentary levels. The objective is to contribute to the most efficient solution to complicated problems in Slovakia.

This is the wording of a short communique, behind which there is much more. Unfortunately, when we look at it now, we must say in no uncertain terms—particularly regarding the election results—Too late! Why the nuclei for the highly desirable merger of the two almost identical political entities are being created, but only now is a problem in its own right. While the SDL was willing to establish mutual links long ago, ambitions and ideas of a different kind prevailed within the SDSS. Particularly in view of the then existing prospects—or rather expectations. We can understand that Alexander Dubcek and some people around him thought at that time that it was too early for a possible merger and to create a left-of-the-center camp—particularly we consider the not very respectable past of the SDL. Apparently, if they wanted to keep their place in the Socialist International they were unable to decide according to their internal feelings. It is over now, behind all of us. It is no use crying over spilled milk.

At the moment, much more is involved. After having visibly flirted with the For a Democratic Slovakia Movement, the SDL apparently realized that this game would not pay. Open cooperation could raise, if not disquiet then at least surprise, over the fact that the party is deviating from its own program, particularly in its most sensitive part—the constitutional setup of Czechoslovakia.

The For a Democratic Slovakia Movement was saying that the movement was in favor of a common state but actually was thinking about a hybrid between a federation and confederation. This hybrid did not correspond at all to the SDL program of transforming the existing pseudofederation into a looser federative setup. Let us add: The SDSS did not include Slovakia's international status in their program.

This important issue was evidently the crucial problem to be solved within the SDL administrative bodies. If we note the words that we heard from the members of the SDL leadership, then we can spot certain dissonance, or event different standpoints. This also applies to the chairman of the party, who—as it seems—leaves the back door open to all possible alternatives. However, later on, the administrative bodies of the party woke up.

One of the consequences of their awakening is a possible merger with Dubcek's people. The SDSS leadership, too, realized that this is the only way to establish an efficient democratic and leftist party and that it is impossible to go against the will of the voters. Under Dubcek's chairmanship—most likely honorary chairmanship—and Weiss' executive leadership, a symbiosis could be established that would eventually grow into a single party. This party could successfully apply not only for membership in the Socialist International, but it could enjoy growth in popularity and win more mandates in the next elections—if held in the future or at the regular date. This new grouping on the Slovak political scene would

certainly have at its disposal the intellectual potential and the vast membership base, which would apparently grow even more.

From today's point of view, however, they will also have substantial clout regarding solutions to the crucial problems of the common state. At the same time, conditions for establishing a coalition and a merger latter on, are almost identical. It is not clear at all, whether they will succeed or not. Yet, it is an encouraging signal that the one who is striking balance is growing in weight and importance—political, as well as moral which is probably even more important at the moment.

Czech Premier Evaluates Visit to England

AU0907130892 Prague TELEGRAF in Czech 7 Jul 92 p 1

["Exclusive" interview with Czech Prime Minister Vaclav Klaus by "PF" in Prague "after his return from the United Kingdom:" "We Know It Well...."]

[Text] Prague—Czech Prime Minister Vaclav Klaus spent the past three days on a private visit to Great Britain. He was received by Prime Minister John Major, met with Margaret Thatcher, bankers, and businessmen, and attended the final matches of the Wimbledon tennis tournament. Upon his return, Vaclav Klaus gave an exclusive interview to our daily.

[PF] We are aware that you have already more than once commented on 3 July's presidential elections. Will the Civic Democratic Party attempt some sort of a "trade off" after all?

[Klaus] I am afraid that we have tried for trade offs, but there are issues where no trade off is possible. Some problems—and this is one of them—are not subject to an agreement; there is nothing here that one could "trade." I believe that the Czech public still somewhat underestimates the Slovak stands on some principal issues. They are, however, very definite on the Slovak side.

[PF] On the other hand, the Czech public no longer perceives the disintegration of the federation as a tragedy, while it could not easily cope with the idea as recently as a few weeks ago. Thus, this state of affairs provides a relatively good basis for constructive work?

[Klaus] First, I would like to note that even the world—if I can judge by the past two [as published] days in England—no longer considers it a tragedy. The world admitted that one cannot insist on something that is not sustainable. It would defy reason. I spoke about it with both John Major and Margaret Thatcher. These are the "external" sentiments. The domestic attitude is obvious: Finally, we have institutionalized the Czech bodies, and now we have to give them content.

[PF] Have you brought from Britain something that particularly pleased you?

[Klaus] I was pleased with the undoubtedly friendly contacts I managed to make with British politicians. I believe Czechoslovakia needs such contacts. Regardless of the priority we give to our closest neighbors, it is also necessary to find a well-balanced position with the more distant countries. I believe we were successful in this respect.

[PF] For the next six months, Great Britain is going to chair the European Twelve [EC]. Do you believe it will bring more understanding for our situation than chairmanship by some other country would?

[Klaus] Great Britain has problems with Mastrich; for example, over whether or not to integrate with Europe. It also has Scotland, and knows what nationalism is. It also faces a great opposition against European integration. Hence, I believe that Great Britain understands our domestic problems quite well. I must add that as I described some Czechoslovak issues, Major and his advisers—who listened carefully—only smiled: "...Our Scotland. How well we know it...."

Antall Meets With Foreign Politicians in Helsinki

LD1007135792 Budapest MTI in English 1123 GMT 10 Jul 92

[Text] Helsinki, July 10 (MTI)—Hungarian Prime Minister Jozsef Antall met some senior foreign politicians in Helsinki on Friday [10 July], the second day of the CSCE Summit.

US President George Bush told him the United States had confidence in Hungary. The president expressed the strong hope that the changes in Eastern Europe would be irreversible. The topics on the agenda included the Yugoslavian crisis and the flow of refugees into Hungary.

Antall's talks with Czechoslovak President Vaclav Havel focussed on the latest developments in Czechoslovakia. Havel said he was becoming more and more convinced that events were unavoidably forcing his country towards division. He stressed that both Bohemia and Slovakia had a vested interest in maintaining and developing cooperation in the framework of the Visegrad three. Havel said that the biggest problem of Hungarian-Czechoslovak relations was posed by the Gabcikovo-Nagymaros water barrage rather than the situation of national minorities. The Czechoslovak president added that, for the time being, he saw no short-term solution to the barrage affair.

The Hungarian prime minister said Hungary had never had an interest in the division of Czechoslovakia. Now it has adopted a neutral standpoint on the issue.

Antall's talks with NATO Secretary-General Manfred Worner focussed on Worner's visit to Budapest next week, and the expansion of cooperation between NATO and the CSCE.

In the meeting with Finnish President Mauno Koivisto and Prime Minister Esko Aho, both sides stressed that Hungary and Finland should cooperate in maintaining stability in Eastern Europe.

Croatian President Franjo Tudjman told Antall that regular Croatian forces were fighting in Bosnia-Hercegovina. All Croats involved in the armed clashes are living on the territory of the republic, he said. The Croatian president said it would aggravate the crisis if, and this is indicated by events, the Bosnian Muslims were striving to set up an Islamic state that would also incorporate Kosovo and the Sanjak in the long run.

British Prime Minister John Major promised that Britain, filling the post of EC Presidency, would make every possible effort to promote the Visegrad three's accession to the European Community.

Antall also met Spanish Prime Minister Felipe Gonzalez.

Foreign Trade With East Europe Examined

AU0907131592 Budapest UJ MAGYARORSZAG in Hungarian 4 Jul 92 p 7

[Interview with Lajos Berenyi, executive state secretary at the Ministry of International Economic Relations, by Jozsef Peter; place and date not given: "The Situation in the East Is Changing—Foreign Trade on New Bases"—first paragraph is MAGYARORSZAG introduction]

[Text] Did we manage to pass the lowest point ever when our foreign trade with former socialist countries fell to a previously unseen low level due to the collapse of the Eastern markets? We interviewed Lajos Berenyi on this issue. The interview was prompted by the news of decreased trade with Poland and the CSFR, which was earlier thought to be free of problems.

[Berenyi] There are two reasons why trade decreased in 1991 namely, the disintegration of the Soviet Union and the emerging economic crisis in the region, that was coupled with insolvency. This resulted in a situation where Hungarian goods were sought after in these countries that could not pay, and this is why the turnover decreased—exports by more than 50 percent and imports by somewhat less.

[Peter] What do the statistics for the first five months show?

[Berenyi] Compared to the same period last year, the overall turnover increased in this region. Exports accounted in U.S. dollars increased by 37-38 percent and imports increased by 33-34 percent. The market of the former socialist countries is still very important for Hungarian foreign trade because 24 percent of our total exports go to this region, and 28 percent of our imports come from this region. It is known that some 30,000 Hungarian enterprises have registered and applied for the right to conduct foreign trade.

Kazakhstan Buys For Cash

[Peter] How did our relations with the former Soviet areas develop in the first six months of 1992?

[Berenyi] I do not claim that we knew exactly when the Soviet Union would break up, but, already in 1990, we did not expect the empire to last very long. Therefore, we started to build our relations with the member republics. We signed an agreement with Russia as early as December 1990, and with Ukraine in the first half of 1991, and the other republics followed. By now, we have signed intergovernmental agreements that correspond to international norms in all respects with 10 out of the 15 republics. We made separate agreements with the former autonomous republics of Russia—for example, Bashkiria and the Komi and Tatar republics.

[Peter] Do they want cash or Hungarian goods for their products?

[Berenyi] We are trying to use our imports to finance the Hungarian exports as much as possible. [sentence as published] We also have an agreement with Russia, whereby they use the income from imports to Hungary to finance Hungarian exports. We make barter deals with the other republics, but Kazakhstan actually pays cash for its purchases. However, the successor states are typically short of dollars.

[Peter] What Hungarian products are most wanted on the former Soviet market?

[Berenyi] They would mostly like to buy grain and food, but drugs, buses, spare parts, and food processing technology and equipment are also among wanted goods. Hungarian enterprises are competitive with these products, but we also have to be aware that West European, U.S., and Japanese enterprises represent a huge competition. They see Russia as a long-term market and have the advantage of being able to deliver goods on credit. Our advantage is knowing the market.

The Polish Domestic Market Has Contracted

[Peter] What about our relations with Poland and the CSFR?

[Berenyi] The cooperation between these three countries has an outstanding role in the region, and the EC has a tacit expectation regarding the establishment of good relations between these three countries. Our trade with Poland and the CSFR did not decrease as much as with the other countries in the region, and Hungarian imports exceeded the exports in the case of both countries. This was a result of the import restrictions introduced by both countries. The Poles increased the customs duties and the Czechs and Slovaks put a levy on the imported goods that, to a certain extent, counteract the Hungarian import liberalization policies.

[Peter] Will this hinder the planned free trade agreement? How far have the negotiations progressed?

[Berenyi] Negotiations are still under way. We originally thought that the agreement would become effective before the end of 1992, but we have come to a standstill because of the domestic and political developments in these countries. Poland is dealing with a government crisis and the unclear relations between the two republics and the federation in the CSFR have had an effect on us. We tried to ensure that contact on expert levels would continue during this period, but we could not stop the negotiations from slowing down. I must add that it is in the interest of all three countries to complete the free trade agreement because, otherwise, the links with each other will be worse than with the EC countries, as customs duties will begin to be reduced in 1992.

[Peter] How much of a turnover did we have in the first five months?

[Berenyi] In the case of the CSFR, the overall level of trade—including the 1991 trade accounted in rubles—is more or less the same, while there is a slight decrease in the case of Poland. The $92-million worth of Hungarian exports to Poland in the first five months of 1991 fell to 50 million in 1992, and imports decreased from 115 million to 60 million.

[Peter] What is the reason for this decrease?

[Berenyi] The main reason was the considerable drop in production in Poland—which far exceeded the drop in production in Hungary—and as a result, the domestic market drastically contracted. I must add that in addition to the export of goods, the service sector is also important—for example, Polish participation in Hungarian construction—and this is not reflected in the statistics.

Considerable War Damages

[Peter] As far as I know, the expected level of annual trade turnover reaches $1 billion. Will it be possible to reach this level considering the amount of decline?

[Berenyi] The overall turnover reached $350 million in the first five months. We will be able to reach the projcted level if we manage to boost Hungarian-Polish trade.

[Peter] We have not yet mentioned Romania and the southern Slav states. How did our relations develop with these countries?

[Berenyi] Romania is one of our important economic partners and, fortunately, our economic relations are good. Great interest was shown in the recent visit of [minister for international economic relations] Bela Kadar, to Romania, and this interest is also reflected in bilateral trade. In the first five months of 1992, Hungarian exports increased to $63 million from the $29 million in 1991. Some 400 enterprises in which Hungarians hold an interest have also been registered in Romania in the meantime. As for the newly independent southern Slav republics, we are mainly trying to quickly develop our relations with Slovenia and Croatia. We have already signed a trade and payment agreement with these countries and, as a result, our foreign trade links have become more intense.

Foreign Affairs Spokesman on Bucharest Talks

LD1007015592 Budapest Kossuth Radio Network in Hungarian 1630 GMT 9 Jul 92

[Interview with Janos Herman, spokesman for the Hungarian Foreign Affairs Ministry, by unidentified correspondent at Ferihegy Airport in Budapest on 9 July—recorded]

[Excerpts] [Correspondent] I first asked the foreign affairs spokesman whether it was expected, as a result of his talks, that a slightly more favorable image of Hungary might evolve in the official Romanian press.

[Herman] This was the first time that there was a discussion between spokesmen of the two foreign ministries. It must be said, by way of introduction, that there was a concrete objective of this discussion, that via developing direct contact between the two of us we should endeavor to avoid public polemics stemming from insufficient familiarity with, or perhaps misunderstanding of, certain statements of the two sides. I believe that this is justified, considering the interests of both sides. I am pleased that this discussion took place, and that there was agreement that in every case when we want to react to the other's statement, when the statement is known only from press reports, then prior to issuing a reply Mr. Chebelu and I will make direct contact with one another. I believe that this might appear to be a small issue, but if we are able to avoid unnecessary wars or battles in the form of statements between the two countries or the two foreign ministries, then this could have a beneficial impact on relations.

[Correspondent] In the past one felt that these misunderstandings were conscious, in part, somewhat intentional—so they were not entirely innocent. Does this personal discussion provide a certain guarantee that it will be possible to avoid these in the future? Was there a manifest personal intention of this among leaders of the Romanian Foreign Ministry?

[Herman] Yes, I experienced the signs of this intention. I should immediately like to add that if the statement is known, and if it is known where the given statement was made, in what textual context, and with what intention, then it will be much more difficult to misunderstand these statements.

It can now be admitted that there was another objective to the visit. I wanted to be there. My name has arisen rather often at these news conferences, and it is entirely different if one is there. I would have liked to have spoken about our way of thinking on Romanian-Hungarian relations. I would have liked to show us—precisely to the people who go to such a news conference from week to week. And I believe that this, too, can have an impact since there are so many atmospheric elements in Hungarian-Romanian relations. This means that an improvement of the elements related to atmosphere can sometimes lead to substantive results.

[Correspondent] The next question is related to the issue of atmosphere. Properly speaking, there is now an election campaign in Romania. At such a time, there is always the danger that the Hungarian-Romanian relationship might be aggravated, since this is a sensitive internal political issue in Romania, and the parties and groups that play on national feelings gladly make use of every possibility to criticize the Hungarian position. Did you find in Bucharest that this will hold in the future as well?

[Herman] Of course. In Romania there are newspapers that—and I believe I am not revealing a secret—regularly resort to this means. It immediately is important to emphasize that this visit, inasmuch as it was a well-timed one, was well-timed from the viewpoint of the two countries' relations. This means that recently concrete steps have been made in Hungarian-Romanian relations. I said that we approach these relations in a very practical manner. Thus we are ready to progress forward wherever there is a realistic possibility for such forward progress. [passage omitted]

[Correspondent] Amid such circumstances, can it be expected that at divergence from earlier ones, the Romanian Foreign Ministry will show a greater intention to accept the Hungarian ideas, because, for example, we heard that an unequivocal negative decision was made in the affair of opening the consulate in Kolozsvar. Thus, do the courteous, friendly discussions not conceal, perhaps, an intention that considers in practice a maintenance of the level of reciprocal courtesy to be expedient, while in the meantime, among its neighbors it is not primarily with Hungary that Romania seeks to develop relations?

[Herman] Let us consider as our point of departure that, in the initial approach, it is important that we should not render impossible the existing possibilities for progress that, without doubt, are uncertain. This is an initial step. If a particular small-scale improvement of atmosphere can be a means for this, then I believe that it is not expedient to renounce this. There are many issues in which the Hungarian attitude unequivocally points to this, and we see doors that are partially closed to us. There are doors that are entirely closed, and there are doors that open or close in varying degrees. I believe that in every such case, Hungarian foreign policy should consider the specific characteristics.

Of course, there are principles that we cannot renounce, but we must also be aware that every single country has its own characteristics. Therefore, as a conclusion I can virtually say that patience and perseverence, and calm conduct are necessary in Hungarian-Romanian relations, since as I said there is an atmospheric element, and there are many people who have an interest in presenting Hungary as a sort of hostile territory. [passage omitted]

[Correspondent] President Iliescu referred in Kolozsvar to the fact that the interests of Romania, Serbia, and Slovakia from a certain point of view coincide vis-a-vis Hungary. There was a Romanian-Serbian foreign ministerial meeting recently where it was hinted that as a matter of fact little Yugoslavia can count on Romania's cautious support occasionally despite the embargo. Is there not a danger that this could turn into an alliance system against Hungary in the shorter or longer term? Could this be felt in Bucharest?

[Herman] Before Mr. Chebelu phones me, I would like to say that I am not familiar first hand with President Iliescu's statement. All I can say is that Hungary would never say it has common interests with anyone else against a third state. I think the correct behavior is for us

to say that we do have common interests regarding some party. And, the correct stand for us is to say that the aim is harmony with some greater interest, and this greater interest—inasmuch as it can be put into words—is a European system of norms into which we want to fit.

I came to talk primarily about press matters; thus the great, truly great foreign political questions were only touched upon. My reply is that I did not see any sign of this in Bucharest. [passage omitted]

[Correspondent] I return to a foreign political question, namely that of the war in Moldova, for this concerns public opinion in both countries, so naturally interest is even greater in Bucharest than Budapest. How do the Romanian official and opposition circles view this now? How great is the possibility of a serious war there, that would put Romania and Russia, or even Ukraine—at least in an indirect form—sharply against each other?

[Herman] This question is in the air in Bucharest, and whatever you talk about, this issue surfaces in some form. In their opinion, this, understandably, affects them very closely. But I also felt all the way through, that in Bucharest there are a great many overblown elements in the handling of this matter. So, there is a great deal of emotion involved in this too. This, of course, was typical primarily of the private conversations, for Romanian foreign policy has an official stance on this, that of course is influenced by many factors. This is absolutely natural, for public opinion—what people in a country consider important or not—has an effect on a government's policy, and one could also say rightly so. [passage omitted]

It could be felt that in one way or another, they were also interested in the Hungarian stand. I emphasized two things: first, that we view these matters from a slightly greater distance—distance that sometimes gives one the chance to place things in their true perspective. And, I also said that we have a completely unequivocal stance as to what kind of resolution we would like, on what principles this resolution should be based. Moreover, I also mentioned that in our opinion it would be worth thinking about creating a wider international conference for the longer term resolution of this issue, for the situation we are now seeing in Moldova is one that could explode.

17-18 Percent Inflation Expected in 1993

LD0907123992 Budapest Kossuth Radio Network in Hungarian 0600 GMT 9 Jul 92

[Text] The government's recently completed economic program foresees 17-18 percent inflation next year. According to the forecast, the producer price increase is also slowing down; in 1993 it will only be 12-13 percent. The experts at the Finance Ministry believe that due to the expectations of a falling inflation, the consumer price increase could be reduced even more, by as much as 10-12 percent. The government will try to deliberately hold back inflation; one of the conditions for this is the further drop in interest rates. This could be accomplished by issuing state bonds with reducing interest, or influencing the business policy of the commercial banks. In the latter case, the state, as owner or part owner, will try to get the financial institutions to bring lending and deposit interest rates closer together. The government would also like to reduce the banks' commitment to hold reserves, once the preconditions for this are obtained.

Consumer Energy Prices To Increase in August

LD0907123592 Budapest Kossuth Radio Network in Hungarian 1000 GMT 9 Jul 92

[Text] From 1 August, the consumer price of natural gas and electrical and thermal energy will be increased. The deputy state secretary at the Ministry of Industry has announced that the price of electrical energy will be 24 percent higher, and that of domestic natural gas 15 percent higher on average. District heating is expected to go up by 10 percent.

In order to offset the price increases, the Ministry of Social Welfare will propose that the family allowance be raised by 200 forints [per month]. Parliament will debate this out of turn at the end of August. Apart from this, families with three or more children will probably receive further support from the (?HERA) Foundation, 100 forints per child to be precise.

Suchocka Expresses Views on Governmental Issues

Foresees No Conflicts With Walesa

LD0907182692 Warsaw Radio Warszawa Network in Polish 1700 GMT 9 Jul 92

[Text] [Announcer] During a 15-minute news conference, prime minister candidate Hanna Suchocka answered journalists' questions concisely, firmly, and wittily, but without specifics, as Stanislawa Stec reports.

[Stec] The economic program will be presented on 10 July. It is hard for deputies to guess what it will be from the press. The talks with ministerial candidates augur well so far—so do the parties' assurances regarding support in the vote. Cooperation with Henryk Goryszewski—the candidate for deputy prime minister for economic affairs—is possible despite differences of opinion. This has been confirmed by contacts between the two deputies during Sejm commission work.

How will the candidate for prime minister react to the roadblock by the Self Defense group? Hanna Suchocka did not want to give an opinion before she could look at the issue from the prime minister's office. She does not intend to change the chairman of the Radio and TV Committee—an act on this (?sector) has to be adopted first. Would she like to be a second Mrs. Thatcher? No; she would rather be the first Suchocka.

One of the more important questions concerned the future government's attitude and the attitude of the prime minister toward the president.

[Begin Suchocka recording] As regards the president, we will have to cooperate. That is to say, this will certainly not be a government in conflict with the president. If I say that it will not be a government in conflict with the president, the question immediately arises: Will I submit to the president? I pose another question: Is there no middle ground between conflict and submission? For me there is. [end recording]

Counts on Deputies' Support

LD0907120592 Warsaw Radio Warszawa Network in Polish 1100 GMT 9 Jul 92

[Text] Hanna Suchocka, the prime minister designate, said on the Poznan "Merkury" Radio, that now, with the support of Solidarity, the government of the coalition of seven she has proposed counted on the support of 236 [out of 460] deputies in the Sejm.

In reply to the question of whether she had tried to talk to the Polish Peasants Party, she replied: Not yet, although we are an open coalition, and we'll see how its further destiny develops.

Hanna Suchocka added that she had not made any coalition offers to the Confederation for an Independent Poland. The composition of my cabinet will be presented during the Sejm session, Hanna Suchocka said. What the newspapers are publishing at the moment is unofficial information.

Views Former Governments' Errors

LD1007093292 Warsaw Radio Warszawa Network in Polish 0430 GMT 10 Jul 92

[From the "Press Review"]

[Text] I am talking about national accord. GAZETA WYBORCZA reporters talk to Hanna Suchocka.

Question: What errors of the Mazowiecki, Bielecki and Olszewski governments do you want to avoid?

Answer: I am of the opinion that information policy was wrong in all previous governments, and in addition—what I would call political romanticism—they did not seek political support for the government.

Question: Olszewski's government did.

Answer: Yes. But by pointing out the enemy, by looking for somebody to blame. It is far more difficult to seek accord.

Question: Are you going to attack your predecessors such as Olszewski?

Answer: No. On the contrary. I do not want to talk about what was wrong. I do want to talk about national accord. We are setting up an extremely difficult coalition.

Pawlak Interviewed on Failure To Form Government

LD0907193292 Warsaw Radio Warszawa Network in Polish 1700 GMT 9 Jul 92

[Report by Marek Kassa]

[Excerpts] The Polish Peasant Party [PSL] Supreme Council today discussed the country's socioeconomic situation and Chairman Waldemar Pawlak's actions. It also discussed preparations for the party congress, to be held in November.

A resolution that was passed stresses that Waldemar Pawlak, by holding the post of prime minister, proved that the PSL is capable of taking responsibility for running the country at the most difficult moments. It was recognized that he has strengthened the party's standing on the country's political stage.

At the same time the resolution expresses disquiet at the trend toward a return of the liberal policy that brought about recession, the disturbances on the foodstuffs market, and the intensifying protests that could jeopardize the reforms.

After the meeting PSL, Chairman Prime Minister Waldemar Pawlak was asked at a news conference to assess his mission. He said that he feels bitter that the best

solutions could not always be implemented. This does not mean, however, that he regards himself as the best solution. [passage omitted]

The prime minister firmly avoided answering questions about an assessment of candidate prime minister Hanna Suchocka and her chances of forming a lasting government. How the PSL votes in the Sejm will depend on the program offered by candidate Suchocka.

Asked how he assesses the situation in Poland after his experiences during his 33 days as prime minister, Waldemar Pawlak did not conceal his disquiet:

[Begin recording] [Pawlak] I think that very difficult times are in store for us and we need a combination, on the one hand, of a great intellectual effort, and of enormous practical experience of life on the other. [passage indistinct] It is not enough here to understand each other well in the cabinet. There also has to be the ability to implement the program in Poland.

[Unidentified correspondent] What do you think was the reason for the defeat of your mission?

[Pawlak] I would not prejudge that the mission has already met with defeat.

[Second unidentified correspondent] What should (?we expect)?

[Pawlak] We will see. Tomorrow is an interesting day: The Sejm will debate and vote.

[First correspondent] But in that case, what is the reason for submittting your resignation, apart, of course, from the formation of a post-Solidarity coalition, and from what you wrote in your letter to the president and the Sejm speaker?

[Pawlak] I do not think you can leave that out of account, since precisely because other solutions appeared, that had a majority of support in the Sejm, there was no reason to put difficulties in the way of creating different, new solutions. You have to take a realistic approach to what is happening.

[First correspondent] I will put it a different way then. Why do you think no agreement was reached between you and your party and those who might have been able to form a coalition under your leadership?

[Pawlak] For my part and for the PSL, we were geared to compromise and we proposed honest conditions for dividing power and responsibility (?with them), and you would have to ask everybody else why no agreement was reached. [end recording]

Walesa Responds to Tyminiski's Offer

LD1007014292 Warsaw TVP Television Second Program Network in Polish 1900 GMT 9 Jul 92

[Text] Stan Tyminski has appealed to Sejm deputies for a vote of no confidence in the Democratic Union, which, in his opinion, will delay the formation of a government by one week, but save Poles from many years' coercion. Tyminski suggests in his letter to parliament members that Lech Walesa has agreed to his proposal of forming a cabinet, on condition that he gets the support of the Sejm majority.

We have received, via Radio Three, the content of the answer given by the president's Press Bureau to Tyminski about his proposal to form a government headed by himself:

Dear Sir, the president would be prepared to accept your candidacy, but the problem is how to create a majority of at least 230 deputies out of the three votes that you have in the parliament of the Polish Republic. Prime Minister Waldemar Pawlak, who has a group of 50 in the Sejm, has not up to now been able to form a goverment supported by the majority of parliamentarians. If you know how to get around this obstacle, we would ask you to pass the information on as quickly as possible, we read in the Belweder's letter to Stanislaw Tyminski.

Walesa Interviewed on Government Crisis

PM0907135692 Paris LE FIGARO in French 3 Jul 92 p 4

[Interview with Polish President Lech Walesa by Laure Mandeville and Christophe Turowski; place and date not given]

[Text] [LE FIGARO] The peoples of former Yugoslavia are torn by war. Did the West not make a mistake in delaying its condemnation of the Serbian aggressor?

[Walesa] If the West had listened to my proposals, it wouud have created a common European military force in time. The example of the war in Yugoslavia shows that Europe needs an intervention force. With all the incredibly fragile borders in Central and East Europe, major catastrophes are possible. Look carefully at what happened with the borders in Yugoslavia, how they were drawn.

They started by drawing lines on a map, then they put up wooden posts, and then wire fencing. But then somebody started hitting his neighbor with a hammer because he thought the fence was in the wrong place. This kind of conflict starts with a detail and ends in tragedy. Yugoslavia is a warning to Europe.

[LE FIGARO] What should be done?

[Walesa] There is now only one solution in Yugoslavia: A UN military intervention. For the sake of the future, and to prevent other crises, the principle of the inviolability of borders must be maintained. And there must be a vigorous reaction, even using military means, every time borders are threatened, and every time tanks try to cross. It would be a good thing to set up a European force to which each East European country should contribute.

[LE FIGARO] Poland too?

[Walesa] Yes, Poland too. If somebody moves, he must immediately be halted. It must be clearly announced that borders are inviolable and that we have the military means to ensure that this principle is respected.

[LE FIGARO] Are you thinking of forces under NATO control or under the control of a European body like the Western European Union?

[Walesa] NATO will never agree because that would be an attempt to change its initial role. The force I am talking about could be created alongside NATO and thus have a degree of autonomy. Its name is unimportant. What is important is that we need this European force.

[LE FIGARO] Are minority and border problems likely to reemerge in Poland as has happened in Yugoslavia or Czechoslovakia?

[Walesa] When governments fail to solve their economic problems, they place the emphasis on ethnic questions to distract society's attention and disguise their impotence. But I do not think that ethnic tensions in Poland could turn into confrontation. It is our good fortune that, of all the East European countries, Poland is the one in which the economic reform has made most progress. We have already privatized 40 percent of the economy.

[LE FIGARO] And yet there are major territorial disputes between Poland and Lithuania. One day, you might also have problems with Ukraine, the whole Western part of which was Polish before 1945....

[Walesa] Poland and Lithuania have been linked for centuries. The Poles have always been regarded as overlords coming to seize land there. The same is true of Ukraine. And it is true that for a long time, we, Poles, lived with the idea of a Poland extending from the Baltic to the Black Sea. But that is all ancient history.

We want cooperation with our Lithuanian neighbor. Lithuania, for its part, has no choice. Situated between a Russia which it has just left and a Poland which represents the gate to the West, Lithuania will have to choose between us and Asia. We are doomed to work together.

[LE FIGARO] Are you prepared to accept Ukraine within the Visegrad Triangle, formed by Poland, Czechoslovakia, and Hungary?

[Walesa] In the West you look at things too simply. The Visegrad cooperation should not be seen as the creation of a threatening and exclusive entity. If we are uniting, it is to open up to the outside world, to develop an economic cooperation among us that will make it possible to find political solutions. Perhaps ultimately the Visegrad entity, including Ukraine, will become a big market.... For the time being, we are in a revolution, between two eras.

[LE FIGARO] Does the Czech and Slovak divorce complicate this process?

[Walesa] The Czechs and Slovaks want to rejoin Europe. So why are they separating? Each of the East European countries, including Poland, started with the belief that by acting alone it had more chance of joining the EC. That was the race for Europe. We have now realized our mistake. It is only by working together that we will be able to achieve that goal.

[LE FIGARO] What is your answer to the rumors that were spread under the previous government, that of Prime Minister Olszewski, stating that you were an agent of the communist political police?

[Walesa] Before 1976, all the people fighting against the communist system were doing so on an individual basis. They were isolated. And hence particularly vulnerable. Some did not stand firm and betrayed their cause. Others tried to trap the political police by pretending to collaborate with them. Others, like me, were sufficiently strong not to give in. The political police used considerable means to discredit those people with forged files. I am proud to be one of them.

[LE FIGARO] Poland still does not have a government. Whose fault is that?

[Walesa] When a wave of madness started to blow over the Polish political scene, during the Olszewski government, I was forced to halt that madness. I had to restore calm. The political divisions were then so serious that for a time I feared I could not maintain security and the country's normal development. I had to act very quickly so that the police and army were not involved in destabilizing action by the Olszewski team. I demanded Olszewski's resignation.

[LE FIGARO] Do you mean that the police and army were placed on alert by Prime Minister Olszewski and that there was really an attempted putsch against you?

[Walesa] That was entirely clear. What he was planning was not good for Poland. His actions could only lead to disorder. I therefore decided to restore order and to appoint a new prime minister as quickly as possible to regain control of the main levers of power—the army and the police.

[LE FIGARO] How do you explain the fact that a man as young as Waldemar Pawlak could be chosen to hold the post of prime minister? He is only 32 years old....

[Walesa] Because his party, the Polish Peasant Party, has a great deal of influence. And because the former Communists have an interest in working with him.

[LE FIGARO] But this is precisely what the right criticizes him for, calling him "the red and green man." It accuses him of wishing to pursue a policy of "recommunization."

[Walesa] I do not want to rebuild communism. But I am responsible for the country's security. I therefore have to choose the options that guarantee it. You can be against the choice of Pawlak because he comes from a party that was formerly a Communist Party satellite, but it must be

admitted that he was and still is capable of cementing the forces that have emerged from solidarity. I must add that Pawlak is not a communist. He is a very intelligent and gifted man.

[LE FIGARO] Would you be prepared to take on the role of prime minister if he fails?

[Walesa] First, I can refuse to accept the prime minister's resignation. That it what I have just done. Second, I can appoint an interim prime minister. The option to which you refer is the last resort.

[LE FIGARO] According to the latest opinion polls in the daily RZECZPOSPOLITA, almost half of the population has no confidence in the present parliament. Why not hold new elections?

[Walesa] Such a solution can be examined. But I think that new elections are not very desirable. They would lead to a battle purely along party lines and not on really alternative programs.

[LE FIGARO] You are accused of preventing the formation of a strong government....

[Walesa] I am accused of many things. This enables the politicians to make their voice heard and to justify themselves. I think that my powers are enough to maintain law and order. The proof is that Poland is developing despite its problems. I would like us to move toward an Italian-style situation; for society to be capable of dealing with the economy itself, without being hampered by the government. In Italy, they change government like they change gloves but, when there is no government, society continues to manage its affairs.

[LE FIGARO] Basically, you have more confidence in society than in politicians....

[Walesa] The unfortunate thing about politicians is that they have no economic training, and that includes me. We fought communism and we won freedom, and we think that that gives us the right to govern. Some Polish politicians see themselves as heroes. But, in our present difficult situation, they are powerless. They are just struggling to stay in power.

[LE FIGARO] You are accused of being a demagogue and even a potential dictator. Is it to counteract these accusations that you are reluctant to play a more major role in defusing the crisis?

[Walesa] The West has not understood that the Polish situation is a classical situation. We have no stable system. We have to be both builders and managers. That is why I am accused of being a dictator.

[LE FIGARO] Are you in favor of a French-style presidential system?

[Walesa] I think that the time has not yet come to choose our political system. Let us wait and see how the parties and the economic record look before deciding toward what system we will move. If a large number of parties survive, it will be better to choose a German-style situation. If two major parties survive, then we will be able to adopt an American-style system of government.

[LE FIGARO] Proportional representation has had the result of bringing an alarming number of parties into parliament. A total of 29. In the future, do you not think that this electoral system should be changed?

[Walesa] Was proportional representation really a mistake? I do not think so. Poland's ethnic minorities might have presented more of a problem if they had been prevented from entering parliament. Look at what happened in Czechoslovakia....

Majewski Discusses NATO Cooperation With Powell

LD0907142292 Warsaw PAP in English 1154 GMT 9 Jul 92

[Text] Warsaw, June 9—Poland's future security in cooperation with NATO members, especially the United States, was the main topic of Thursday's [9 July] talks between chairman of the U.S. committee of joint chiefs of staff, General Colin Powell and Deputy Foreign Minister Janusz Majewski.

The talks also covered Polish arms exports, army equipment modernization, restructuring of the arms industry and adjusting it to current defensive needs.

General Powell declared the U.S. assistance for cooperation of Polish and American Armed Forces, especially in training and transfer of technology.

Later in the day, General Powell, who is ending his two-day visit to Poland on Thursday, met with Poland's Prime Minister Waldemar Pawlak to discuss the restructuring of the Polish Arms industry.

Speaking to journalists, Powell said that Polish and U.S. Armies were entering a new era of very good cooperation.

Envoy to Washington Discusses Bilateral Relations

AU0807102392 Warsaw RZECZPOSPOLITA in Polish 3 Jul 92 p 9

[Interview with Kazimierz Dziewanowski, Polish ambassador to Washington, by Katarzyna Kolodziejczyk; place and date not given: "In a Wider Perspective"]

[Text] [Kolodziejczyk] Politically transformed Central and East Europe is experiencing difficulty adapting to Western standards. How do you think Washington views this internal strain?

[Dziewanowski] It is not difficult to notice serious concern about the processes occurring in this region. It is not only Poland that is the subject of this concern. Of course, right now there is far greater concern about Yugoslavia, but there is also concern about Czechoslovakia. The possible division of the CSFR is taking up very much space in the American press, so our own problems are

not so conspicuous. There is simply less talk of Poland, which is just as well considering the situation we are in.

However, on the basis of my talks with top officials in the administration, I can firmly tell you that the Americans still think that Poland is relatively stable, with more potential than the other countries of this region. So the Americans view Polish troubles much more calmly than we do.

[Kolodziejczyk] What do the Americans base their opinion on?

[Dziewanowski] Well, for example, they do not get upset by some of our Sejm debates. The hysteria that sometimes appears in Poland does not get through to them. They think Poland has succeeded in effecting many economic changes that are already providing results. They view our problems in a somewhat wider perspective.

A recent series of spectacular undertakings serves to confirm this view, such as the mission to Poland by the U.S. President's special envoy, John Whitehead. Let me remind you that President George Bush himself, as well as the Department of State and the President's entire entourage, think they are capable of encouraging American investors to take a risk and invest in Poland. I do not think the Americans would want to do such a thing if they thought our country has no future.

[Kolodziejczyk] So can we expect President Bush to perform a similar mission when he stops over in Poland next Sunday [5 July]?

[Dziewanowski] I think that the President, who is primarily going to Munich and Helsinki, will want to convey two messages in Warsaw —first, that Poland is overcoming its temporary difficulties, that the present difficulties have been caused by the birth of democracy and a free-market economy, and that Poland will succeed in finding the right solution to its problems, just as it has done so many times before; and second—that Poland has a great future ahead of it, that the Americans want to participate in this future, and that it is worth investing in Poland even though it is not an easy thing to do for various reasons.

I think this is a very optimistic message. However, I regret to say that we ourselves make talking to our Western partners difficult on account of our incessant crying. It is necessary to have a happy expression on one's face even when it looks as if one is going to lose the game, because when the contest takes place, the person who sits down in the corner and cries simply drops out of the game.

[Kolodziejczyk] Could you explain to our readers this American way of thinking?

[Dziewanowski] Their way of thinking is more or less as follows: Poland has only been undergoing reforms for three years. Communism has collapsed, and Poland is facing a challenge that no one has ever faced before. And yet the Poles are crying that nothing is succeeding and everything is falling apart.

One must say this is a rather suicidal attitude. I wish to make myself very clear on this point and to tell your readers that they should realize that in this way, we are inflicting terrible harm upon ourselves.

[Kolodziejczyk] Do you think the United States sees any particular purpose in the "Visegrad Triangle" and any special role for Poland in it?

[Dziewanowski] We are a relatively large country. We were the first to reach the threshold of great changes. Despite our complaining, we are relatively dynamic. Take the development in the private sector, for example. That on its own is quite a surprising circumstance. Our private enterprises are already represented in countries east of the Bug River, as well as in Western markets. For this reason, Poland's potential is viewed in very positive terms.

As for the "Triangle," I am not qualified to say what is happening inside our neighboring countries, where I think there are serious problems. However, all the people responsible for contacts with Europe, EC representatives, economic activists, and American politicians I have talked to have made it clear that Poland should cooperate within the "Triangle," because that increases our chances and makes it easier for us to attain a position. I personally have always encountered this view in my talks.

[Kolodziejczyk] But some politicians still insist we will reach Europe more quickly and more certainly on our own.

[Dziewanowski) If our politicians, as well as Czechoslovak ones, think it is easier to join the West on our own, they are very much mistaken. The region stands far better chances if several countries campaign for their interests in an organized manner, instead of each country individually.

[Kolodziejczyk] We know more or less what closer military cooperation between Poland and the United States involves. Could you provide more details about this, and tell us in what way it is connected with security in our region?

[Dziewanowski] One must be very cautious. I think people in Poland still have many misconceptions about this cooperation. There is no question of close cooperation for the time being, but various possibilities are being considered. The Americans realize that there cannot be a vacuum in this region and that some military mechanisms or safeguards will have to be installed. But that is still in the distant future. For the time being there is talk of training officers, joint theoretical work, and consultations on the possible sale of arms. But nothing in this sphere has been predetermined, because America is in an election period. It is difficult to say for sure what kind of strategy will form part of the future American policy. The second reason why it is difficult to answer this

question is that we are in a situation where the entire world's politics have disintegrated. There is a leadership crisis all over the world. Not just in Poland and Russia, but also in the United States, Japan, France, Germany, Italy, and soon probably in China. So as far as strategic issues are concerned, one must wait until the elections, when the United States will have to formulate its strategic doctrine in the new world.

[Kolodziejczyk] Do the Americans differentiate between the region of Central and East Europe and the territory of the former USSR?

[Dziewanowski] I am sure they do. Despite everything, the situation in our region is more clear and less changeable. There is quite a firm and serious debate going on in the United States right now about possible aid to the former USSR. The question is whether or not all the aid should be concentrated on Russia. In a nutshell, the "Visegrad Triangle" plus Bulgaria is considered more stable.

[Kolodziejczyk] Your second anniversary as ambassador to the United States is a few days away. How do you view this period?

[Dziewanowski] It feels like 20 years. As we know, I was appointed by the first Solidarity government, and now we are trying hard to form a fourth government. I feel that Polish-American relations are quite intense, for a complete change in our relationships has occurred during this period. I feel the initial period of transformation has ended and that now one can think of the future in somewhat different terms.

Bush's Support for Poland at Munich Summit Hailed

AU0907130692 Warsaw NOWA EUROPA in Polish 6 Jul 92 p 20

[Editorial: "Bush Does Not Have the Money"]

[Text] The President of the United States has a soft spot for Poland and the Poles. That he should wish our country success is prompted by his affinity for the Polish nation. However, he has never visited us in the manner of a generous American uncle who scatters gifts indiscriminately. What he has offered—the sensible use should be made of the contributions making up the billion dollar stabilization fund—is valuable. American money accounts for one-fifth of that sum.

George Bush does not have any more money, because this is a presidential election year. America is in a downbeat mood, because of the continuing recession, record unemployment, and federal balance-of-payments, and trade deficits. The world's expectations are much greater than the possibilities that the United State has to fulfill them. This is best seen in the case of Russia, which has taken the plunge into the deep waters of reform without a stabilization fund and international guarantees.

Bush is consistent on Polish affairs. He talks to us like a good banker, who expects proper use to be made of the loans that have already been granted. The point is not further billions, but the ability to foster an appropriate climate for foreign investors, and for those from the United States above all.

The presidential investment mission led by John Whitehead, which, on George Bush's instructions, was looking for sound investment opportunities for $25 billion in private investment, did not accomplish much having come up against the inertia and indolence of a massive bureaucracy that fares well under the Polish institutional system. The findings that were conveyed to the White House were not encouraging, neither for the President nor for his business friends.

Bush's support for Poland at the summit of the world's richest countries that is opening in Munich is worth more than a billion dollars. What the President says, even if he is bound by the constraints of the election race, will prompt many of our creditors to reconsider their attitude toward Poland. However, it is up to us to do something above all, that is, to create conditions permitting the resumption of cooperation with the IMF, and that cooperation is impossible without a stable government that has control over the budget.

Agreement Signed With Byelarus on TV Exchange

LD0907214592 Warsaw TVP Television First Program Network in Polish 1500 GMT 9 Jul 92

[Text] Today an agreement was signed concerning an exchange and co-production of programs between Polish Television and Byelarus Television. First of all, information and current affairs programs, as well as films and entertainment programs, will be exchanged free of charge. In Poland, one of the regional programs will be broadcast in Byelarussian, and vice versa.

Soon we are to sign similar agreements with Moscow Television Rossiya and Ukrainian Television.

Since last year we have been associated with Eurovision. Thanks to Eurovision we have relays from important sport and musical events on our screens. There will be more of those on the screens as of January next year. Polish Television will then be accepted as a full member of the Eurovision group.

Barter Exchange Agreements With Ukraine Reviewed

PM0907100292 Katowice TRYBUNA SLASKA in Polish 25 Jun 92 p 3

[Article by Henryk Nykiel: "Barter-Based Friendship: Ukrainian Firms Want To Cooperate With Us"]

[Text] Of all the new states that emerged after the disintegration of the former USSR, the Republic of Ukraine has shown itself to be the most active and interested in foreign economic and commercial cooperation, and in attracting foreign capital. This is confirmed by the unusually liberal regulations issued recently by the

Ukrainian Government. Potential foreign investors can count on much more advantageous terms here than those offered in Poland.

Provided that they bring in $100,000 worth of capital as their share in new Ukrainian joint ventures, all foreign companies are exempt from corporation and turnover tax, as well as the company wage tax, for a period of five years. They are also guaranteed the transfer of their entire profits in the form of dividends. Ownership title in respect to durable assets and non-durable property brought in by foreign investors is statutorily guaranteed by the Ukrainian Government. In the event of any losses for which the given foreign company was not responsible, the government will guarantee the payment of the equivalent monetary compensation.

In view of the shortage of foreign currencies, the authorities prefer barter exchange, seeing in it a considerable chance to encourage the growth of imports and exports. Nevertheless, it still appears that the lowered ruble exchange rate against the dollar and other convertible currencies is a serious impediment to Ukraine's import and export capacity.

Increasing numbers of foreign businessmen and trade missions are beginning to pay regular visits to Kiev, Lvov, Donetsk, and other industrial cities in Ukraine. Because of its proximity and its large area and population, Polish commercial firms are also showing increasing interest in trading with this country. Previously, foreign trade exchange was, for the most part, controlled by large central agencies. The trade was largely limited to strategic commodities. As soon as the necessary favorable conditions arose, commercial exchange was also taken up by many private firms on both sides of the border.

Following President Kravchuk's visit to Poland, Ukrainian state and private companies have shown increased interest in commercial cooperation with Poland. This was further encouraged by the new state regulations issued in Ukraine on the principles of barter exchange, setting up joint ventures, and the customs law. The fact that Poland was the first state in the world to recognize Ukraine's independence is often stressed there.

Some Polish private and state companies, including certain central trading agencies, have already opened missions in Ukraine, launched their first joint ventures, and embarked on a number of different forms of cooperation. This is only the beginning of the process. The coming months and years should bring us many more such schemes and operations.

Recently, a visit to Ukraine by an economic mission from the Zaglebie Dabrowskie (Dabrowa Gornicza Basin) region was organized by the Katowice Center for the Promotion of Foreign Trade [CPHZ] together with the Lvov Chamber of Industry and Commerce and the Ukrainian Chamber of Industry and Commerce, and with the assistance of Andrzej Zineserling, the Polish Republic's commercial consul to Kiev. Among the visitors were representatives of the Dabrowa Gornicza and Slawkow City Councils, as well as delegates from the following industrial enterprises-founder members of the Zaglebie Dabrowskie Chamber of Commerce: Katowice Steelworks; Kazimierz Juliusz Colliery; Strem Chemical Plant; and the Railroad Construction Enterprise. Maciej Demidow, CPHZ chairman, reports that, as a result of several days of meetings with representatives of Ukrainian state and private enterprises, it was possible to prepare and approve a list of commodities that will serve as a basis for barter exchange agreements. For example, it is proposed that Polish coal be exchanged for Ukrainian iron ore; Polish cosmetics and soaps for Ukrainian lard and other animal-derived fats; Polish food products, footwear, and textiles for Ukrainian timber and nitrogenous fertilizers. Many companies in Western Ukraine and Odessa have expressed their interest in such forms of cooperation.

At the moment a number of trading agreements and contracts are under preparation, and the precise agenda for Polish-Ukrainian state trading agreement is being drafted. It is envisaged that very soon agreements will be signed to establish Polish-Ukrainian barter exchange joint ventures on both sides of the border. For bulk transportation of commodities, the authorities are planning to use the so-called sulfur and steel goods route, that commands a terminal on the city boundary line between Dabrowa Gornicza and Slawkow.

Farmers Union Convoy Clashes With Police

LD0907170692 Warsaw PAP in English 1649 GMT 9 Jul 92

[Text] Warsaw, July 9—A 40-vehicle convoy of the farmers' "Self-Defence" Union, set off down the Poznan-Warsaw road on Poland's capital Thursday [9 July] afternoon but was immediately stopped by the police forces who blocked the dual carriageway.

One tractor and one truck managed to get through the blockade but were soon brought to a halt.

A few policemen who were knocked down by the farmers' vehicles suffered minor injuries.

Almost 100 farmers are waiting now for the arrival of "Self-Defence" leader Andrzej Lepper after the police commander had put forward a proposal to start negotiations.

There were about 100 riot police supported by 4 armoured vehicles and a combat vehicle with a water cannon in Mory near Warsaw on the Warsaw-Poznan route.

Protesting Farmer Beaten Up

LD0907192392 Warsaw PAP in English 1749 GMT 9 Jul 92

[Text] Warsaw, July 9—A farmer of the group of protesters who clashed with police near Mory outside Warsaw on the road to Poznan was badly beaten up and taken to hospital Thursday [9 July] afternoon.

Meanwhile leaders of the agriculture unions of the western province of Poznan said that nobody authorized the "Self-Defence" Samoobrona Farmers' Union to speak on behalf of all farmers.

In a letter sent to Premier Waldemar Pawlak on Thursday chairmen of several farmers' bodies flatly protested against the demand of "Self-Defence" to dismiss the Poznan governor.

Meanwhile, the police set a roadblock near Lomianki on the outskirts of Warsaw to prevent a convoy of about 25 vehicles from entering Poland's capital. The protesting farmers were warned that if they do not withdraw, their cars will be towed to the police car park.

Police Injuries Reported

LD0907205792 Warsaw PAP in English 1819 GMT 9 Jul 92

[Text] Warsaw, July 9—The Warsaw-Poznan road at Mory outside Warsaw was unblocked by the police late Thursday [9 July] afternoon.

The protesting farmers were forced to park their farm vehicles in a side-road.

According to Superintendent Leszek Maj some policemen were injured and police cars damaged.

Police Remove Farmers Blockades

LD0907210692 Warsaw PAP in English 1957 GMT 9 Jul 92

[Text] Warsaw, July 9—Police told Self-Defence protesters to unblock the Lublin-Warsaw highway, while law enforcement units began to remove farmers' road blocks on the road in Lomianki, north of Warsaw, this evening.

The police found a bottle of Molotov cocktail near the farm vehicle convoy on the Lublin-Warsaw road. The convoy includes two tank trucks filled with gasoline, police say.

Comprise Reached With Rail Workers, Miners

LD1007093892 Warsaw PAP in English 1838 GMT 9 Jul 92

[Text] Warsaw, Mielec, Katowice, July 9—Compromise has been reached in the dispute over pay and potential layoffs between management and Solidarity Trade Unionists representing railway workers, it was announced in Warsaw on Thursday [9 July].

In the agreement signed by both sides, Polish state railways (PKP) is to establish a new monthly minimum wage of 1.4 million zlotys (about 100 dollars). The two sides will set up a joint commission to examine pay and working conditions. The management side also accepted union proposals relating to workforce rationalisations as a means of reducing PKPs deficit.

However, labour unrest continued to grow in many parts of Poland, particularly in the Silesian heavy industrial region.

In Mielec (south-western Poland), union representatives at the Mielec transport equipment workshops on Thursday approved calls for a strike ballot of the factory workforce. Negotiations between unions and management over the implementation of minimum wage regulations for Polish aerospace workers are to begin next week.

In Lubin (south-eastern Poland), talks between management and unions in a long-running dispute at the "Polska Miedz S.A." copper mining and smelting combine ended in failure on Thursday, and representatives of the 7 unions at the plant upheld the strike vote taken on June 20. A 13-member strike committee has been established.

Disputes also continue at coal mines in the Katowice region. Leaders of the Federation of Miners Trade Unions announced on Thursday that the Union would prepare for general strike action from July 17, and would call a 2-hour token stoppage on July 20, with the aim of "protecting Polish mining against political manipulation and economic experimentation." The union representatives attacked the concept of privatising Polands coal industry.

In a related development, representatives of the Solidarity Trade Unions National Mining Commission called for tri-partite talks between unions, employers and the Polish Government, to deal with problems arising from the restructuring of the Polish coal industry.

In Warsaw, the Polish Industry and Trade Ministry announced that it was lifting "until further notice" quantity restrictions on Polish coal exports, in the light of short-term output forecasts from Polands coal producers.

Iliescu Discusses CSCE Process Prior to Summit

AU0907130492 Bucharest ROMPRES in English 1114 GMT 9 Jul 92

[Text] Bucharest, ROMPRES, 9/7/1992—Referring to the evolution of the Helsinki process in an interview from aboard the plane flying him to the Helsinki summit, Romania's President Ion Iliescu said that "when representatives of states belonging to the two opposing blocs met in 1975, it was in fact a dialogue for the establishment of a congenial climate for the political approach of the issues. There were three big categories of issues at that time: political relationship, economic relationship, human rights and freedoms. Meanwhile, the political relationship in the continent has changed. The bloc logic has vanished, ideological confrontation disappeared. This time", President Iliescu said, "the declaration to be endorsed at the Helsinki meeting, already negotiated, brings new elements as compared with the Paris Charter that marked the changes come about in Europe, with all participant states referring to the same values. They have in view the complex issues facing the world today, civil problems, conflicts, pursuing the articulation of the necessary international mechanisms for a political approach. As a matter of fact, it is not about a meeting of European states", Iliescu also said. "The notion of Europe has become very relative. The CSCE process has included from the onset also North America—the United States and Canada. But now, the former Soviet empire too has come in—a number of states representing quite different cultural values."

Comments on Talks With Bush, Yeltsin

AU0907194292 Bucharest ROMPRES in English 1841 GMT 9 Jul 92

[Text] Bucharest ROMPRES 9/7/1992—During the interviews he had Thursday, July 7 [as received], in Helsinki, with a number of heads of delegations attending the CSCE summit, Romania's president, Ion Iliescu, tackled various aspects of the development of relations between Romania and other states.

President Iliescu told Romanian journalists that he had conferred with the U.S. President, George Bush and the U.S. secretary of state, James Baker, with Moldova's president, Mircea Snegur, with the president of the Russian Federation, Boris Yeltsin, with the Bulgarian president, Zhelyu Zhelev. President Iliescu also met on Thursday the head of the Canadian delegation, Minister of Foreign Affairs Barbara Mcdougall, and the president of the European Bank for Reconstruction and Development, Jacques Attali.

Bilateral issues were approached in the context of the changes taking place in post-revolutionary Romania, of the priorities defining this period.

The Romanian president tackled with his collocutors the problems in Moldova, related to the current developments on the left bank of the Dniester.

CSCE has engaged itself in the resolving of the situation in Moldova and its presence has to be felt in this respect, mentioned President Ion Iliescu. Fact is that CSCE was represented at the interviews of the foreign ministers of Moldova, Ukraine, Russia and Romania, held at Chisinau and in Moscow. The Presidium of CSCE High Executives has decided to send a special envoy to survey the evolution of the situation in Moldova, added the Romanian president.

I have told President Yeltsin that some progress made after the four-power summit in Istanbul and after the talks between the presidents of Moldova and Russia, mentioned Mr. Iliescu. On the other hand certain negative aspects have appeared, such as the statements made by the new commander of the 14th Army and surprising points of view expressed in the Russian Parliament, a number of verbal attacks against Romania and the leaders of Moldova. President Yeltsin said he did not share such points of view and added that he hoped that the process would take a decisive course in keeping with the understanding made in Istanbul, and the measures envisaged for the cease-fire and the withdrawal of the military forces and technique from the conflict area. As regards the status of the zones left of the Dniester, Boris Yeltsin agreed that it was the attribute of the Parliament of Moldova to approach and settle those issues, and declared for the observance of the sovereignty and integrity of the Republic of Moldova, president Ion Iliescu said.

Referring to his meeting with the U.S. President, Ion Iliescu said: "We appreciated in the talk with President Bush and State Secretary Baker the U.S. stand in support of the Republic of Moldova. We took advantage of the opportunity also to express our appreciation of the bilateral relations, marked also by the forwarding to the congress of the draft commercial agreement between our countries."

Worth mentioning is that a separate meeting between Romanian Foreign Minister Adrian Nastase and U.S. Secretary of State James Baker is scheduled in Helsinki on Friday.

With President Boris Yeltsin too, we have discussed the need to find means to reactuate the bilateral relations on a political and economic plane alike. There are prospects that the draft bilateral treaty should be made final and signed soon. President Yeltsin was renewed the invitation to visit Romania at a convenient time.

The interview with the EBRD president covered the situation in Moldova. Mr. Attali reiterated the European bank's offer to give financial assistance to the measures for the withdrawal of the 14th Army troops. Also, the possibility was mentioned that the EBRD should participate in financing the building of bridges across the Danube, an action in which Romania would cooperate with Bulgaria and Turkey. The possibility that a similar

project be financed for a bridge across the Prut between Romania and Moldova, in the northern part, was also discussed.

Romania's president and the EBRD president extended the possible area of assistance, by including among the future plans also the updating of the frontier points in the western part of Romania.

About the interview with the Canadian foreign minister, President Iliescu said that it showed the two countries' mutual relationships progressed well. The wish was also brought into relief that the bilateral relations be extended and new possibilities be traced to deepen them.

In a news conference on Thursday night, Barbara McDougall referred to the content of the talk conducted with Romania's president.

Answering a question posed by the ROMPRES correspondent on the matter, the Canadian foreign minister said that the conflict in Moldova was not ethnic but ideological in nature, assessing that in the situation in that country was possible the CSCE action to ease the tension. The CSCE could participate in the settlement of the issues in Moldova, Barbara Mcdougall opined.

Offers Peacekeeping Units for Moldova

AU0907184892 Bucharest ROMPRES in English 1800 GMT 9 Jul 92

[Text] Bucharest ROMPRES 9/7/1992—Romania's President Ion Iliescu stated in Helsinki that Romania was ready to send peace-keeping units to Moldova provided that all the sides agreed to it. Contacted by the BBC envoy, Foreign Minister Adrian Nastase stated: We prefer to participate with all the risks such a thing would imply than to keep aside and see how people die in Moldova every day. A decision on Romania's participation in such a disengagement force shall be made by parliament and not by government.

Parliament Adopts Declaration on Moldovan Conflict

AU1007084892 Bucharest Radio Romania Network in Romanian 0800 GMT 10 Jul 92

[Declaration of the Romanian Parliament, read by Radu Ciuceanu, vice president of the Deputies Chamber, in the Chamber of Deputies on 10 July—recorded]

[Text] Mr. President, ladies and gentlemen, colleagues: I will read the text of the declaration on the conflict in the eastern rayons of the Republic of Moldova. This text also will be read in the Senate, because we drafted this document together:

Romania's Parliament, deeply concerned about the bloody conflict in the rayons in the eastern part of the Republic of Moldova, wishing for the disengagement of the parties involved in the conflict in accordance with the understanding of the presidents of the Republic of Moldova, Romania, the Russian Federation, and Ukraine, adopted in Istanbul on 25 June 1992, and taking into consideration the decision of the Parliament of the Republic of Moldova, issued on 7 July 1992, declares the following:

1. A solution to the conflict in the eastern rayons of the Republic of Moldova can be achieved only through political means and in accordance with the norms of the CSCE, Paris Charter for a New Europe, the UN Charter, and the principles of international law;

2. Within context, we believe that the political mechanism established by the foreign ministers of the Republic of Moldova, Romania, the Russian Federation, and Ukraine must act continuously, in accordance with the agreement achieved at the Istanbul summit on 25 June 1992, in order to find definitive solutions to the conflict in that region;

3. Until the withdrawal of the 14th Army from Moldova is completed, in accordance with the terms that will be agreed upon through bilateral negotiations between the Republic of Moldova and the Russian Federation, the neutrality and the status of that army should be ensured as a foreign army stationed on the territory of an independent and sovereign state; and

4. If actions that endanger the independence and sovereignty of the state and the lives of citizens continue in the Republic of Moldova, the Romanian Parliament calls on the government to appeal for the intervention of the UN Security Council in support of the Republic of Moldova.

Government Supplies Emergency Power to Moldova

AU0907164192 Bucharest ROMPRES in English 1338 GMT 9 Jul 92

[Text] Bucharest ROMPRES 9/7/1992—The power dispatch centre of the Republic of Moldova asked emergency aid from Romania on July 3, following developments in the Dniester region, informs the press office of Romania's Government.

Following the request, Romania supplied energy for two zones in Bessarabia, on two lines, totalling 80 MW [megawatts]. Another 300 MW were supplied on another cable, passing through Bulgaria. The Republic of Moldova is going to return the aid to Romania in kind.

The Romanian Government has decided to create a legal framework for such situations shortly.

Defense Communique on Turkish Military Visit

AU0907193992 Bucharest ROMPRES in English 1838 GMT 9 Jul 92

[Text] Bucharest, ROMPRES, 9/7/1992—A military delegation led by National Defence Minister of the Republic of Turkey Nevzat Ayaz paid a visit to Romania

between July 7 and 9 upon the invitation of the National Defence Minister of Romania, Lieutenant-General Niculae Spiroiu.

The Turkish military delegation had talks at the Ministry of National Defence to survey the stage of relations between the armies in the two countries. New ways and means were set to expand them.

During the visit, two protocols were signed related to growing collaboration on the basis of the agreement between the government of Romania and the Government of the Republic of Turkey in military training, technique, and science.

The Turkish guests watched demonstrative drills at a mechanized unit, and paid visits to economic and defence industry units.

FDSN Demands Resignation of Privatization Chief

AU0907125692 Bucharest ROMPRES in English 0825 GMT 9 Jul 92

[Text] Bucharest, ROMPRES, 9/7/1992—At the news conference of Wednesday, July 8 of the Democratic National Salvation Front (FDSN), Dumitru Pislaru, representative of that party's leadership, presented a document initiated by the parliamentary groups of the Democratic National Salvation Front, the Romanian National Unity Party and the National Liberal Party, Ecologists and Republicans and released in the Assembly of Deputies which, in essence, demands the resignation of Adrian Severin from the office of president of the Romanian Privatisation Agency following the erroneous way of elaborating and giving the property certificates. At the same time he denied the assertion printed in the press according to which the political formations National Liberal Party, National Liberal Party-Young Wing and Democratic National Salvation Front would intend to provoke a governmental reshuffle specifying, however, that—if needed—his party would assume the responsibility of participating in the governing.

PUNR Cluj Branch Denies 'Inter-Ethnic Tension'

AU0907182092 Bucharest ROMPRES in English 1544 GMT 9 Jul 92

[Text] Bucharest ROMPRES 9/7/1992—A statement of the Cluj County branch of the Romanians National Unity Party [PUNR] shows that "there is no inter-ethnic tension in the city of Cluj-Napoca, all the less the danger for the outburst of conflicts."

PUNR backs the re-establishment of legality in the municipality of Cluj-Napoca and further requests Mayor Gheorghe Funar to prove firmness in applying the country's laws so that due political, economic and social stability should be achieved in this locality, shows the statement.

Local Cities Withdraw From Rail Trade Union

AU0907181892 Bucharest ROMPRES in English 1546 GMT 9 Jul 92

[Text] Bucharest ROMPRES 9/7/1992—The Railway Marshalling and Commercial Trade Unions in Brasov, Galati and Cluj just as the trade unions "Bukovina" of Iasi, "Cale Libera" of Craiova, "Complex" of Ploiesti, Radna and Arad stations decided to withdraw from the Railway Marshalling and Commercial Trade Unions Federation.

They justify their withdrawal in the federation's clear deviation from the aims for which it had been set up, its deliberate lies about the causes which led to the May 1992 strikes, use of the organization's funds for other purposes than the ones for which they were collected, promotion of court trials on its own behalf, maintenance of a state of artificial conflict between trade unions and the National Railway Society of Romania, assertion of a statute containing dictatorial provisions since they confer on its leader unrestricted power.

The above-mentioned trade unions decided to set up a new federation.

Defense Minister Sends 'Protest' to MacKenzie

AU0907171392 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1300 GMT 9 Jul 92

[Text] Jerko Doko, minister of defense of the Republic of Bosnia-Hercegovina, has sent a protest message to General MacKenzie at the Sarajevo UN Protection Force Headquarters. Among other things, the protest states:

Despite your obvious efforts to achieve peace on behalf of the organization you represent here, I regret to have to remind you that the aggressor has intensified his genocidal war activities against the independent Republic of Bosnia-Hercegovina. Instead of holding back the activity of his artillery carried out from the well-known positions, the aggressor is now using guns and thousands of projectiles to make himself heard from newly established and firmly entrenched positions. As the aggression against Sarajevo intensifies, the aggressor's combat activities are continually spreading to other parts of the occupied republic. The aggressor is increasingly using shells with a more destructive power. In the region of Gorazde, three enemy aircraft have raided the settlements of Kopaci, (?Gazogici), (?Brdo), Masici, and Bare. Gradacac, Tuzla, Kalesija, and Zivinice have been subjected to fierce shelling. The enemy has his long-range artillery at a position on the Velez Mountain and is still not giving up Mostar. Defenders of Bihac and Gracanica have it extremely difficult, while almost two entire Serb corps besiege Derventa and surrounding villages.

Esteemed Mr. MacKenzie, deeply convinced that you are going to convey this protest to the command of the aggressor's army and as an attempt to attain prerequisites for achieving any kind of peace, please also convey this to the world public at large. I am also pointing out to you the fact that the aggressor is taking advantage of the broad humanitarian actions taken by the well-meaning world with a view to incapacitate the defense of the city and the republic. I sincerely hope that, with the help of the UNPROFOR, he will not manage that. Therefore, please tell the world that the suffering of the city does not end with the landing of planes carrying humanitarian aid. In that way it continues, albeit in a milder form, it is said in the protest message that (?Defense Minister) Jerko Doko has sent to General MacKenzie.

Izetbegovic Proposes New Humanitarian Aid Corridor

LD1007063792 Belgrade TANJUG in English 0009 GMT 10 Jul 92

[Text] United Nations, July 9 (TANJUG)—President of the Moslem-Croat Presidency of Bosnia-Hercegovina Alija Izetbegovic on Thursday [9 July] proposed to the United Nations the opening of a new humanitarian aid corridor through the airport in Tuzla (north-eastern Bosnia-Hercegovina).

Tuzla airport was taken over by the Moslem forces late in May after the former Yugoslav People's Army withdrew from Bosnia-Hercegovina, after the republic won international recognition of its independence on April 7.

In a letter he sent to the U.N. Security Council, Izetbegovic said Dubrava airport near Tuzla was now operational and could accept all aircraft types.

Izetbegovic said he believed about 200 UNPROFOR troops would be needed to protect the facility.

Proposing at the same time the establishment of a land relief aid corridor to Sarajevo, Izetbegovic said the air bridge to Sarajevo airport was insecure.

Between 15 and 20 large transport aircraft a day are now flying aid into Sarajevo airport.

In Izetbegovic's view, the most suitable overland route for relief aid would be from the Croatian port of Split to Sarajevo.

The army of the Serb Republic of Bosnia-Hercegovina on June 29 handed over Sarajevo airport to about 1,000 "blue helmets," and placed its heavy artillery under the supervision of UNPROFOR observers.

The move made possible the opening of a relief aid air bridge.

However, the Moslem-Croat forces on Wednesday and Thursday launched an all-out attack on Serb positions in and around Sarajevo. The objective of the attacks is clearly to provoke a foreign military intervention by falsely accusing the Serbs of violating the ceasefire, the commander of the army of the Serb Republic of Bosnia-Hercegovina, Lieutenant General Ratko Mladic, has said.

Simultaneous warnings have emanated from the G-7 summit in Munich and the CSCE summit in Helsinki that the humanitarian aid effort would be protected by military means if the ceasefire does not hold.

Memorandum Signed on Sarajevo Access Roads

AU0907091692 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 0800 GMT 9 July 92

[Text] At the proposal of Lieutenant Johnson, commander of the Canadian Battalion, a memorandum of agreement about the routes for evacuation of wounded and passage of humanitarian convoys has been signed.

The agreement recommends that the roads leading from the airport to Dobrinja, Hrasnica, Sokolovic Kolonija, Butmir, Ilidza, and Lukavica, the crossroad near the Kula restaurant, Hadzici, and Sarajevo be placed under supervision to ensure safe transportation of humanitarian aid and evacuation of casualties.

Muslim-Croat Forces Seek Foreign Intervention

LD1007105592 Belgrade TANJUG in English 2238 GMT 9 Jul 92

[Text] Belgrade, July 9 (TANJUG)—Lieutenant General Ratko Mladic, the commander of the Serb Armed Forces in Bosnia-Hercegovina, has accused the Muslim-Croat forces of seeking by launching an all-out offensive on

Wednesday [8 July] and Thursday to provoke a foreign military intervention in Bosnia-Hercegovina.

In a letter sent on Thursday to Lieutenant General Satish Nambiar, the commander of UNPROFOR in Yugoslavia, Mladic said the attacks were timed to coincide with the G7 [Group of Seven] summit in Munich and the CSCE summit in Helsinki, which discussed the Yugoslav crisis.

The aim of the synchronised attacks is to once again falsely accuse the Serbs of violating the ceasefire and provoke a military intervention against them, Mladic said.

The position taken in Munich is that the humanitarian action in Bosnia-Hercegovina should be assisted by all means, including military ones, if the ceasefire does not hold.

Muslim leader Alija Izetbegovic officially requested a military intervention in Helsinki on Thursday.

Izetbegovic's aim is to secure by the military intervention a unitary Bosnia-Hercegovina, but its creation is opposed by the Serbs (32 per cent of the total population) and the Croats (17 per cent), who want national cantons to be created in order to avoid domination by the Muslims (44 per cent).

In his letter Mladic listed and described a number of attacks carried out against Serb positions in and around Sarajevo.

He recalled that the Serbs in Bosnia-Hercegovina had agreed to a ceasefire and to deblock Sarajevo Airport on June 29 to make possible humanitarian aid flights into Sarajevo with the assistance of UNPROFOR. This also implies a ban on military combat activity and repositioning of forces, which the opposite side is ignoring, Mladic said.

The Serbs' artillery which withdrew from the airport is supervised by UNPROFOR observers, but the Muslim-Croat artillery is not under their control.

Mladic asked Nambiar to use his influence for the opposite side to respect the ceasefire, halt its attacks and redeployment of forces in and around Sarajevo. Failing this, General Mladic stressed, the Serb side will be forced to use all available means to defend itself.

Serb Republic's Defense Minister Interviewed

LD0807103692 Belgrade TANJUG in English 0947 GMT 8 Jul 92

[Text] Belgrade, July 8 (TANJUG)—The war in Bosnia-Hercegovina would be over if the European Community were to agree to the Serb side's proposal of borders in that former Yugoslav republic, i.e., a division of Bosnia-Hercegovina, said Bogdan Subotic, the defence minister of the Serb republic of Bosnia-Hercegovina.

In an interview carried by the Belgrade daily VECERNJE NOVOSTI on Wednesday [8 July], Subotic explained that "the Serb republic of Bosnia-Hercegovina should encompass the towns and villages predominantly populated by Serbs." Subotic announced speedy sessions of the Serb government and assembly in the republic, which should define state boundaries.

Serbs proclaimed their republic in Bosnia-Hercegovina on April 7, in opposition of the secessionist policy of a Moslem-Croat coalition in the Bosnia-Hercegovina leadership.

On Saturday, Croats in Bosnia-Hercegovina proclaimed their republic—Herceg-Bosnia—which covers 30 percent of the territory of original Bosnia-Hercegovina, seized with the help of ten thousand troops of the regular army of neighbouring Croatia, and there established exclusively Croatian civilian and military authority. The capital of Herceg-Bosnia—Mostar—had a majority Moslem population before the war.

Moslems account for 44 percent of the population of Bosnia- Hercegovina, Serbs for 32 percent and Croats, for 17 percent.

The E.C. recognized Bosnia-Hercegovina as an independent state on April 7, despite efforts of the republic's Serbs for a resumption of talks within an E.C.-sponsored conference on the future organization of that ethnically and religiously diverse republic.

On April 5, Moslem leader Alija Izetbegovic declared general mobilization, which resulted in the killing of four people and injuring of 21, and triggered civil war between the Moslems and Croats, on the one side, and the Serbs on the other. Parliament and the government have since been dissolved and all power has been seized by a rump Bosnia-Hercegovina presidency from which legitimate Serb representatives have withdrawn.

Red Cross Calls For Safety Guarantees

LD0907131192 Bern Swiss Radio International in English

[Text] The International Committee of the Red Cross has again called on the warring parties in Bosnia-Hercegovina to guarantee the security of humanitarian organizations trying to aid the civilian population. The Geneva-based organization said assistance could be carried out only under the protection of United Nations troops. It said it was unable to return to the capital Sarajevo because the security of delegates could not be guaranteed and in the past the Red Cross emblem had been ignored by all sides in the conflict.

Serb Leader Says UN Forces Control Krajina

LD0907162592 Belgrade TANJUG in English 1458 GMT 9 Jul 92

[Text] Beli Manastir, July 9 (TANJUG)—The president of the Republic of Serbian Krajina (RSK), Goran Hadzic, on Thursday [9 July] said U.N. peace-keeping troops had taken over control on all of the territory of the Republic of Serbian Krajina, including the so-called pink zones.

Hadzic said the borders of the Republic of Serbian Krajina were "final and not subject to change."

Speaking in Beli Manastir, a town in the eastern part of the Republic of Serbian Krajina, Hadzic said he was convinced the world would recognize the borders of the Republic of Serbia Krajina after a referendum in the autumn in which the inhabitants of the Republic of Serbian Krajina would say where and with whom they wanted to live. General and local elections will also be held in the Republic of Serbian Krajina in the autumn. [passage omitted]

The Republic of Serbian Krajina is under U.N. protection. The so-called pink zones, i.e. border zones where Croatian combatants continued to sow terror against the majority Serbian population, had posed a problem for a while.

Government Decision May Endanger Slovenian Trade

LD1007062292 Belgrade TANJUG in English 1938 GMT 9 Jul 92

[Text] Belgrade, July 9 (TANJUG)—A decision by the Croatian Government to levy a 23.5 per cent surcharge on commodities imported from Slovenia might drastically endanger trade between the two ex-Yugoslav republics, businessmen have assessed.

In Croatia, government decisions have increased 23-fold the prices of imports from the Republics of Slovenia, Macedonia and Bosnia-Hercegovina since last weekend.

Production materials, capital goods, and parts have had their tariffs rise to 7.5 per cent from one percentage point.

A payments operation and trade protocol was initialled by Slovenia and Croatia four months ago as one of the first accords by the two ex-Yugoslav republics after the European Community (E.C.) recognized them on January 15.

Croatian parliament has not yet ratified this document that guaranteed both parties the most favoured nation clause.

Slovenia and Croatia are the major economic partners to each other, but the former registers a marked surplus balance. In the four months of this year, Slovenia exported a 275 million dollars worth to Croatia, while its exports to the other four ex-Yugoslav republics amounted to 331 million dollars.

After the U.N. imposition of sanctions on the Federal Republic of Yugoslavia (F.R.Y.) on May 30, Slovenia suspended its deliveries to Serbia and Montenegro.

An unexpected price hike would nearly decimate the marketing of Slovenian-made articles in Croatia, businessmen said.

The shut-down of Croatian market made Slovenia's Prime Minister Janez Drnovsek file a protest on Monday [6 July]. He urged his Croatian counterpart Franjo Greguric to "exempt Slovenian products from the import restrictions, although the situation was very difficult in Croatia."

Slovenian businessmen on their part have been pressing the government to perform "a resolved economic counter-attack."

The latest steps by the Croatian Government threaten to revive the smouldering problems between the two until recently closest allies among the republics of former Yugoslavia.

After monetary break-up last October, Slovenia has owed its Croatian savers at least 600 million dollars.

Charges have been voiced in Slovenia that the Croatian Government is not giviing up its illegal seizure of 6,000 countryside cottages and 290 enterprises owned by Slovenians.

In commenting on a tangible cool-off in relations, Slovenian President Milan Kucan last June pointed to the "unfair conduct of Croatian representatives."

Judging by comments in Slovenia, not even the last week's arrival of Croatia's first ambassador to Slovenia Zdravko Tomac has ironed out what is believed to be a large number of clandestine diplomatic wrangles.

HNS President Plans for Democratic Society

LD1007100292 Belgrade TANJUG in English 1809 GMT 9 Jul 92

[Text] Zagreb, July 9 (TANJUG)—If it wins the August 2 elections, the opposition Croatian National Party (HNS) will do everything for the development of a parliamentary and modern democratic society. "We can do better, and the current party in power cannot do worse", said HNS President Savka Dabcevic-Kucar at an election rally in Zagreb on Thursday [9 July].

The state must serve the people and not vice-versa, as it is now since it is a vestige of a totalitarian regime, said Dabcevic-Kucar, who was the head of the League of Communists of Croatia until 1971.

The HNS central board on Thursday presented the party's state list for the election of deputies to the Croatian Parliament. The list consists 60 names and is headed by the presidential candidate, Savka Dabcevic-Kucar.

The election slogan of the HNS, one of the strongest opposition parties in Croatia, is "for a rich Croatia, a land of free people."

International

President Cosic Sends Message to CSCE Summit

LD0907154492 Belgrade TANJUG Domestic Service in Serbo-Croatian 1409 GMT 9 Jul 92

[Text] Helsinki, 9 Jul (TANJUG)—President Dobrica Cosic of the Federal Republic of Yugoslavia [FRY] has sent a message to the heads of state and prime ministers, participants in the third CSCE summit in Helsinki. The message was handed to the CSCE Executive Secretariat today by Yugoslav diplomat Dusan Crnogorcevic. The message reads:

"On the eve of the summit in Helsinki, in which my country, FRY, is not taking part for well-known reasons, let me assure you that Yugoslavia, as a founding member of the CSCE and the UN, has remained true to all CSCE principles and has been doing everything to consistently and fully meet its obligations arising from these principles and all other CSCE documents.

"At the same time, the FRY has accepted all demands by UN Security Council Resolutions 752 and 757 and is ardently, actively, and consistently working on their urgent implementation. The handover of Sarajevo airport to the UNPROFOR [UN Protection Force], the withdrawal of the artillery of the army of Bosnian Serbs to the agreed upon area, and a proposal by the Bosnian Serb leadership to put the whole of Sarajevo and its wider surroundings under UNPROFOR protection also represent the results of our positive influence on the Bosnian Serb side.

"According to reliable information, the Bosnian Serb side is fully determined to have an unconditional ceasefire on the entire territory of Bosnia-Hercegovina and an unconditional resumption of the Conference on Bosnia-Hercegovina on the basis of its results so far.

"Since all three warring parties need to cooperate in order to bring about an end to the war and restart the process of negotiation, I appeal to you, participants in the CSCE summit conference, to exercise, personally and collectively, a fruitful influence on the Croatian and Muslim parties in the confrontation in order to make them abandon their war option and return to the Conference on Bosnia-Hercegovina as the indispensable political framework for reaching agreement on the future constitutional organization of their common state.

"The firm commitment of the FRY to solving all aspects of the Yugoslav crisis peacefully and by political means corresponds with our determination to maintain and further develop cooperation with the CSCE in all areas of its activities, particularly in the field of pluralist democracy, the development of a free economy with free markets and entrepreneurial initiatives, and the rule of law and respect for human rights and minority rights. Despite all the current disagreements and the remarks that have been addressed to the FRY by the latest CSCE sessions, I want to assure you that the CSCE will continue to find an active, responsible, and constructive partner and member in the FRY. The positive and radical changes that have been initiated in the domestic arena have been greatly inspired by CSCE principles, aims, and standards. Their completion will expand the area of cooperation of the Federal Republic of Yugoslavia with the CSCE and facilitate the removal and overcoming of the difficulties that are still in evidence in our relations.

"Finally, I want to convey our sincere belief that the third summit session will contribute significantly to the development of comprehenseive cooperation within the CSCE framework and to the building of the new European order in the interest of all CSCE member states."

Foreign Ministry Statement on CSCE Exclusion

LD0907200992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1714 GMT 9 Jul 92

[Text] Belgrade, 9 Jul (TANJUG)—Following the decision by the CSCE committee of senior officials on 8 July to deny Yugoslavia's representatives the possibility to be present at and participate in CSCE meetings until 14 October, the Federal Secretariat for Foreign Affairs has released the following statement and sent it to TANJUG.

1. The decision by the CSCE committee of senior officials on 8 July to deny Yugoslavia's representatives the possibility to be present at and participate in CSCE meetings until 14 October is in contravention of those principles of European cooperation and security that form the basis on which the CSCE has grown and developed, as well as of the nature and aims of its involvement in resolving the crisis in the area of the former Socialist Federal Republic of Yugoslavia.

2. This decision suspends Yugoslavia from significant CSCE activities as it deals with conditions it should meet in order to have this decision reexamined by the end of this period. At the same time, however, there are hints that the question of Yugoslavia will be raised again once by the United Nations and after the EC Arbitration Commission has provided its legal opinion. They are expected, in effect, to dispute the right to continuity of the Federal Republic of Yugoslavia, something that would also trigger the process of Yugoslavia's final expulsion from the CSCE.

3. Yugoslavia's suspension from CSCE meetings sets a precedent for the CSCE as it does not envisage such a measure. No valid document signed by its member states includes suspension from any activity of this forum, thus rendering a suspension totally groundless. There is no sound political justification for it either, given the fact that the factual need for the CSCE to contribute to a peaceful and just solution to the crisis in the area of the former Yugoslavia should require full communications on equal terms and cooperation with all factors, the Federal Republic of Yugoslavia included. It is regrettable that the member states turned a deaf ear not only to

such facts and warnings, but also to the president's messages as well as to those messages of the future prime minister of the Federal Republic of Yugoslavia, which called for understanding and help on the part of the CSCE so as to enable us to rely on this forum in our intention to work, resolutely and effectively, on putting an end to the war, the restoration of peace, cooperation, and trust as well as the development of democratic values in the former Yugoslavia, and the Federal Republic of Yugoslavia in particular.

4. Despite this unjust and wrong decision, Yugoslavia remains committed to the principles and aims adopted by the CSCE. It will step up its efforts to put an end as soon as possible to the armed clashes in Bosnia-Hercegovina, consolidate the peace in Bosnia-Hercegovina—as well as in other areas of the former Yugoslavia—and promote human rights and freedoms, particularly the rights of members of national minorities in the Federal Republic of Yugoslavia in line with CSCE and UN standards and decisions. We expect these efforts to yield results and that the international community, and the CSCE in particular, will appreciate and support them and that they will establish the basis for a reexamination and change of the CSCE decisions regarding the Federal Republic of Yugoslavia.

Arbitration Commission Chairman Reports Conclusions

LD0907183992 Belgrade TANJUG in English 1603 GMT 9 Jul 92

[By Stevan Cordas]

[Text] Belgrade, July 9 (TANJUG)—The latest report of the Arbitration Commission of the Conference on Yugoslavia that has been conveyed by its Chairman Robert Badinter to Lord Carrington, contains three key conclusions.

First, the process of the disintegration of the Socialist Federal Republic of Yugoslavia (SFRY) has been completed.

Secondly, the Federal Republic of Yugoslavia (F.R.Y) is an entirely new state.

Thirdly, being an entirely new state, the F.R.Y. may not be the sole heir to the SFRY.

According to Badinter, the disintegration of the SFRY has annulled its membership status on international organizations.

Belgrade experts in international law, in their earliest informal assessments, suggest that the arbitration commission has made a political document not relied upon any international legal standard, anticipating conclusive solutions that should have been found by all participants in the Conference on Yugoslavia.

Yugoslav diplomats react in a similar vein. They see that the practice itself denies the validity of the commission's latest report because not one state has broken its diplomatic relations with the F.R.Y.

On June 8, Serbia and Montenegro (the republics that make up the F.R.Y.) challenged the commission's right to deal with matters substantial for the outcome of the Conference on Yugoslavia. They proposed that the F.R.Y. and the ex-Yugoslav Republics should first try to settle their outstanding issues in conformity with their overall agreements and, only in case of failure, to address the Hague Court of Justice.

Their proposal was obviously turned down by the commission, raising the question of how the F.R.Y. representatives would treat the commission's report of no legal substance for them.

The report contains several illogical conclusions. Even some European Community (E.C.) experts have denied the conclusion that the F.R.Y is not entitled to continuity because of being an entirely new state.

The term "dissociation", as used in the report, also remains legally groundless because it presumes joint accord of all the parties concerned (the ex-Yugoslav Republics). Since this accord was missing, the right term is "secession."

The commission, in its report, denies the F.R.Y. the right to be the SFRY's sole heir. But never have Serbia and Montenegro requested any such rights. Instead, they deem that this matter is to be resolved only through talks between the F.R.Y. and the ex-Yugoslav Republics on the division of SFRY's debts and assets. Hence the arbitration commission actually belabors the obvious.

Lord Carrington, chairman of the Conference on Yugoslavia, will apparently have little use of this report which may even make the resolution of the crisis in this country still more intricate.

This report goes a step further than the previous reports for placing Yugoslavia (the F.R.Y.) in a position subordinate to that of its breakaway republics.

It wants "the new state" to stand in a queue and wait for its legitimity and independence be recognized internationally.

Federal

Panic Seeks IMF Support for Economic Reforms

LD0907195892 Belgrade TANJUG in English 1753 GMT 9 Jul 92

["Pool" item]

[Text] Belgrade, July 9 (TANJUG)—Yugoslav Prime Minister-Designate Milan Panic on Thursday [9 July] asked the managing director of the International Monetary Fund [IMF], Jean-Michel Camdessus, for support for the implementation of economic reforms in Yugoslavia and the continuation of cooperation between the Federal Republic of Yugoslavia and the International Monetary Fund.

In a letter received by TANJUG, Panic set out four priority tasks facing him: The ending of hostilities and the creation of a lasting peace, the creation of conditions [word indistinct] free multi-party, multi-national and multi-religious society, the development of a state ruled by law, the establishment of democratic principles, freedom of speech and freedom of the press, revival of the Yugoslav economy on the principles of free enterprise and competition with speeded up privatization.

Panic said the realization of his economic program, which he will present before the Federal Parliament in Belgrade soon, was possible only through the full support from and cooperation with the International Monetary Fund.

In his letter, Panic pointed out that the Federal Republic of Yugoslavia, as the legal heir to the international and legal subjectivity of the Socialist Federal Republic of Yugoslavia, was willing to immediately launch talks on membership in the IMF with the IMF and the governments of the other newly founded states in the region.

Panic said he hoped the talks would be held soon so that an accord on the overall division of state property and rights of former Yugoslavia might be reached.

A session of both chambers of the parliament of the Federal Republic of Yugoslavia (Serbia and Montenegro) at which Panic, a U.S. businessman from Belgrade, is to be elected the prime minister is scheduled for next Tuesday.

Premier-Designate Receives Striking Students

LD0907195292 Belgrade TANJUG in English 1802 GMT 9 Jul 92

[Text] Belgrade, July 9 (TANJUG)—The Yugoslav prime minister-designate, Milan Panic, on Thursday [9 July] received a 17-member delegation of the University of Belgrade students, whose strike is in its 25th day, and in the ensuing talk upheld the students' right to demonstrate but warned that nobody had the right to wreck and lay waste, TANJUG was told by members of the student delegation and the same was stated in a statement released by the office of the prime minister-designate.

"You have the right to demonstrate, you absolutely have the right to demand a change of government, but nobody has the right to wreck and destroy," Panic was quoted as saying in the statement released by his office.

The striking University of Belgrade students, who call for a change of the Serbian authorities, headed by President Slobodan Milosevic, on Thursday staged another peaceful protest march through Belgrade streets.

Commenting the student demand for Milosevic's resignation, Panic said that it was hard for him, as a democrat, to call for the resignation of somebody who had been elected democratically, the statement said.

"I do not know how democratic the elections were, but I do know that the next must be democratic and that they should take place as soon as possible," Panic said.

The statement quoted Panic as saying that the university students were an intellectual force without which the state could not achieve successes.

Student representatives said their delegation had lent full support to Panic's efforts to carry out democratic changes.

Panic reiterated that his basic goals as prime minister would be the lifting of the U.N. sanctions against Yugoslavia and peace in the former Yugoslav Republic of Bosnia-Hercegovina, where the Muslim-Croatian coalition, aided by army units of the former Yugoslav Republic of Croatia, are waging war against the local Serbs.

Student representatives said Panic had told them that the electoral system needed to be fashioned on the U.S. model, but had to be adjusted to the local conditions. He was also quoted by students as saying that the federal Constitution must have seniority over the republican.

The statement released by the office of the Yugoslav prime minister-designate said the students told Panic they were for an evolution "which would, like Darwin's, last for thousands of years."

The students informed Panic they felt the current Serbian leadership had no credibility in the world. "Nobody in the world believes that leadership, and we want new people at the head of Serbia, we want to be a part of Europe and the world," the students were quoted as saying in the statement released by the office of the Yugoslav prime minister-designate.

Poll Conducted To Gauge UN Sanction Effects

LD0907204992 Belgrade TANJUG in English 1856 GMT 9 Jul 92

[Text] Belgrade, July 9 (TANJUG)—The international blockade threatens [words indistinct] to cut off the export of goods and services [words indistinct], the Institute for Market Research (IZIT) of Belgrade said on Thursday [9 July].

The latest regular poll conducted by IZIT, which covered 200 firms in the Yugoslav Republics of Serbia and Montenegro, showed that foreign partners had cut off practically all economic ties with partners in Yugoslavia after the introduction of U.N. political and economic sanctions on May 30.

Yugoslav businessmen do not expect the blockade to last long, but say, in case it does, all business ties could be cut off and they would be difficult to restore later.

The polled firms feel that the domestic market is capable of consuming only 10 percent of the goods intended for export.

The IZIT poll confirmed that, in the May 15 to June 15 period, 56 percent of firms recorded cuts in the orders made by foreign [words indistinct].

The poll also showed that 37 percent of the polled firms recorded a drop in production. The polled firms do not expect anything good in the next three months. They expect a further drop in both orders by foreign partners and production, and 94 percent of them plan to [word indistinct] the prices of their products.

Yugoslav Army Under 'Civilian' Command

92BA1132A Belgrade POLITIKA in Serbo-Croatian 21 Jun 92 p 7

[Article by the Belgrade wire service TIKER: "Military Decisions by a Majority Vote"]

[Text] The command to commit the Army of Yugoslavia [VJ] in wartime and peacetime, on the basis of the letter of the Constitution of the Federal Republic of Yugoslavia [FRY], is issued by the president of the Republic as a decision of the supreme defense council. Aside from the president of the FRY, in accordance with Article 135 of the federal Constitution, that body also includes the presidents of the member republics. Because the Constitution does not spell out the decisionmaking procedure, and the new federal law on the army has not yet been adopted, TIKER, the Belgrade wire service, called upon Dr. Ratko Markovic, professor of constitutional law in the School of Law at Belgrade University and one of the authors of the highest legal enactment of FR Yugoslavia, for the right interpretation of this constitutional provision.

"The VJ is under the command of civilian authorities," Dr. Markovic explained, "but it is a specific feature of the command system that it is directed by a collegial body. There is no place on the Supreme Council for so-called military personnel—persons from the top leadership of the army, including even the minister of the army, although the issue of their possible participation in the proceedings of this collegial body will be the subject of further legal elaboration."

As in any collegial body, Professor Markovic continues, the decision here is based on the majority principle. That is not stated in the Constitution, but the point of a collegial body is that a decision is made in it by majority and it is impossible for a minority to make the decision in such a body. Because we are talking about a specific function—the function of command, because of the unity of command, only one person can command on behalf of the Supreme Defense Council, and that is the president of FR Yugoslavia. That was also the principle in the period of the old 1974 Constitution, where the commander in chief was the SFRY Presidency, but the president of the Presidency handled the affairs of command in the name of that body.

Markovic answered the question as to which enactments are in effect until the law on the army is adopted by saying that the old Law on the Armed Forces is in effect, but still has to be brought into conformity with the new federal Constitution adopted this April. Answering the question of who is responsible to make the decision on commitment of the army if he judges that the constitutional order has been violated, Dr. Markovic says that in that case the old Law on the Armed Forces will be valid, but so will the new Constitution. The decision, then, will be made by the Supreme Defense Council, but carried out by the president of the Republic of Yugoslavia.

The possible discrepancy that now exists between the constitutional provisions of the highest enactments of the member republics of the federation and the federal Constitution with respect to this subject matter will be removed, Professor Markovic says, in that the republic constitutions will have to be brought into conformity with the federal Constitution. Anyway, Markovic said, republic armies do not exist.

At the end of his statement for TIKER, Dr. Ratko Markovic also mentioned that the vote of the president of FR Yugoslavia on decisions in the Supreme Defense Council has no greater weight than the votes of the other members, because, if the idea was to make the vote of the president of FR Yugoslavia the deciding one, the Constitution would have stated that explicitly.

Serbia

Parliament Adopts Measures To Ease UN Sanctions

LD0907174992 Belgrade TANJUG in English 1638 GMT 9 Jul 92

[Text] Belgrade, July 9 (TANJUG)—The Parliament of the Yugoslav Republic of Serbia on Thursday [9 July] adopted a law on measures for the alleviation and elimination of consequences of the economic sanctions of the United Nations. The law gives the republican government broad authorization to restrict or ban trade in certain goods or order firms and businessmen to market certain goods.

An amendment to the law was adopted exempting self-employed farmers' holdings from the obligatory marketing of certain goods so as to avert the possible buy-up of farm produce.

A punishment of at least three years imprisonment is envisaged for the breaking of this law. The deputies of opposition parties refused to take part in its passing.

Batric Jovanovic, a deputy of the ruling Socialist Party of Serbia, said the Federal Parliament and Government, not the republican ones, were competent to pass laws for the alleviation of the consequences of the sanctions.

The Serbian Parliament on Thursday adopted a law according to which minimum wages will be paid out to all workers during the economic blockade.

The minimum wage for June cannot be lower than 8,450 dinars (just over 40 dollars) nor higher than 13,000 dinars (65 dollars).

The repayment of the minimum wage [word indistinct] guaranteed by the law regardless of whether the employer has adequate funds. The money will be provided for this purpose from the fund for the payment of minimum wages and the surplus income over expenses of the National Bank of Serbia. A law on the fund was also adopted by the Serbian Parliament on Thursday.

An estimated 600,000 workers will be on paid leave due to the sanctions in Serbia, and around 200,000 are already out of work.

According to early estimates, around 150,000 and 500,000 workers will be paid from the newly-formed fund for their salaries in June and July respectively.

Money for this purpose will also be ensured also through increasing taxes on petrol and diesel fuel for individual users. Changes in the law on sales tax, which increased taxes on these goods, were also adopted by the Serbian Parliament on Thursday.

The adopted changes envisage benefits for members of the United Nations Protection Force (UNPROFOR) and diplomatic and consular offices. UNPROFOR members will not pay sales tax on goods, except cigarettes, alcohol and gold, while diplomatic and consular missions will use the benefit on the basis of [word indistinct].

Ministry To Prevent Public Order Violations

LD0907194592 Belgrade TANJUG in English 1829 GMT 9 Jul 92

[Text] Belgrade, July 9 (TANJUG)—The Republic of Serbia government ordered the Ministry of the Interior and the Ministry of Justice on Thursday [9 July] to undertake "all measures for the timely preventing and punishing of all violations of public order and peace."

Political parties, associations and citizens are warned that all political activities and public rallies must be carried out "in complete agreement with the exisiting laws," said a statement issued after the government session.

The government has concluded that the Ministry of the Interior and other state organs have so far, "with a high degree of tolerance, enabled the safe holding of rallies even though they were not registered and held according to regulations and within the alloted time."

The session discussed an Interior Ministry report on "violations of public order and peace and disruptions of normal city life."

This formulation refers to an incident which ended without consequences and took place on Tuesday evening when Belgrade students clashed with a special police force which prevented the students from entering the street where Serbian President Slobodan Milosevic lives.

In protest, the students blocked several vital Belgrade junctions in the night between Tuesday and Wednesday.

Traffic in central Belgrade was also blocked during an eight-day peaceful protest by citizens who gathered in front of the Yugoslav Assembly. This protest started on June 28 and was organized by the non-party Opposition Democratic Movement of Serbia (DEPOS).

Belgrade students have been protesting for 25 days and demand the resignation of the government and President Slobodan Milosevic.

Criticism of Serbian Electoral Lists 'Unfounded'

92BA1131B Belgrade POLITIKA in Serbo-Croatian 19 Jun 92 p 5

[Unattributed article: "Radic's Objection to the Regularity of the Elections Rejected"]

[Text] The Election Commission of the Republic of Serbia, acting under a decision of the Federal Court, took up once again the objection of lawyer Milenko Radic that the voter lists for the recent elections were misused to show more favorable results, and rejected it as being unfounded.

Lawyer Milenko Radic alleged in his objection that the voter lists were falsified in that 682,053 voters were removed from them in order to show different results.

In stating the grounds for its ruling, the republic Election Commission said that under the Law on Election of People's Deputies there is a single permanent voter list that is kept by the competent agency in the opstina. Names are entered or removed on the basis of data in birth and death records, other official records, and public documents, or on the basis of some other authentic evidence at the request of the voter.

The law does not provide that there be a single voter list for the entire republic. The totals are arrived at only by addition, but this operation (usually for the purpose of information or statistical processing) is not a mandatory election operation and therefore cannot be legally contested—that is the position of the commission.

The republic Election Commission observed at the same time that aside from the allegations in the objection, it had no specific evidence that the lists had been misused. What is more, before the elections are held there is, as a practical matter, no way of establishing the total number of voters in the republic, because under the law names can be added even on election day. All the figures on the possible number of voters given before the elections represent only an estimate or the precise number of voters in previous elections.

As to Radic's objection that more than a million ballots in excess of the number of voters were printed without the supervision of the republic Election Commission, the commission said that there was no evidence of this. The number of ballots does not affect the results of the vote, because only those in the ballot box are taken into account when the result of the elections is determined. The correctness of the elections, including the correctness of the ballots, was verified by voter committees and representatives of the parties that took part in the elections.

Examining lawyer Radic's assertion that the constitutional law for implementing the Constitution of Serbia was violated by the calling of the elections, the republic Election Commission judged this to be unfounded. Elections to the Federal Assembly were scheduled by decision of the Federal Chamber of the SFRY Assembly in conformity with the constitutional law for implementation of the federal Constitution. The republic constitutional law was not violated thereby, in the opinion of the commission.

As for election of deputies to assemblies of opstinas and Belgrade, the republic Election Commission noted that it is not competent to evaluate whether a specific act of the president of the Serbian National Assembly, who scheduled the elections, is contrary to the constitutional law of the republic. The opstina election commissions or opstina courts, it is the opinion of the republic Election Commission, are competent to take up objections to local elections.

Montenegro

Opposition Proposal for New Government Discussed

92BA1132C Podgorica POBJEDA in Serbo-Croatian 19 Jun 92 p 3

[Article by Zelidrag Nikcevic: "On the Civil Unity Government: Fog Merchants"]

[Text] All have easily agreed on the main thing: The bad circumstances in which we find ourselves require that the accountability of the current Montenegrin government be reassessed as soon and as completely as possible. There is no postponement—the government is either responsible or irresponsible.

A portion of the Montenegrin opposition has already pronounced its verdict. The government is now expected to accept the "irrefutable" arguments, to dispute its own legitimacy, and to take part as one of the equal participants in saving what can still be saved.

This kind of "self-concealed degradation" is difficult to imagine, even in states with a much more highly developed parliamentarianism, but it is perhaps worthwhile to see what it really means—and not only for psychological reasons. How does the opposition conceive a democratic reorientation?

So long as the Assembly continues to function, the question of confidence in the government can always be put. If the conditions so obtain, it is possible to form a new government, but now from the opposition. For really essential changes, it is sometimes indispensable that the opposition parties form such a government, which means that it would be a minority government. And that, of course, brings other problems.

In theory at least, such a government, although a minority government, would in monarchies or in states with a strong presidential system enjoy the legitimacy of the monarch or president. That protects it, and it is from that that it draws its own powers—but only under exceptional circumstances. Under our conditions, however, such a possibility obviously does not exist. A so-called civil government simply would not be able to found its own legitimacy on any tangible political fact. It would have to be taken at its word—and that means that it would be absolutely irresponsible.

The matter is still more awkward when we bear in mind that the present legitimacy of the so-called parliamentary opposition is highly debatable. It has largely occurred through the disintegration of election coalitions, so that now even those parties which did not participate in the election at all and whose real support of the electorate cannot be determined are also regarded as parliamentary parties. It is not important whether this occurred because of the defects of the election system or because of its abuse. It is important that today we simply do not know who some of the deputies represent, we do not know who is accountable for their decisions, and we do not know when there will be an end to the reproduction of the parliamentary parties who have been the heirs of the former election coalition.

If such an opposition demands nothing less than a civil unity government, then it would be natural to present to the public the mysterious basis of confidence and let the origin of the legitimacy which the opposition will enjoy in such a government be exposed. Who are these people of absolute confidence, where did the opposition find them, how did they win such confidence?

These are not just rhetorical questions. There is a need to be cautious: However it is made up, the government recommended to us by a segment of the Montenegrin opposition would have to be a government of absolute confidence. Its responsibility, then, is not verified, but is taken for granted—because there is no institution that would "link" its activity to the will of the people. In normal countries, this is not done, but a parliament is elected. But a parliament, if it becomes unbearable, can only call new elections.

If the present Assembly cannot meet, or if we suspend its constitutional powers, then the whole issue of the concentration government makes sense. But if that is not the

case, then it is not clear at all what its relationship should be to that notorious government. Could the Assembly debate and possibly reject the decisions of a government which by definition, because it is a salvation government, enjoys absolute confidence—or must it adopt them? It is obvious that such a government actually represents a suspension of the Constitution, the Assembly, and all forms of expression of national sovereignty—and that does not sound attractive.

It is also obvious that through the formation of such a government all the so-called parliamentary parties would promote themselves into incumbent parties, and there would no longer be an opposition. As the high point of Montenegrin parliamentarianism, as the embodiment of the secret desires of a segment of the Montenegrin opposition, this people would get a one-party salvation government, more mysterious and less responsible than all previous ones. Such a government is called a dictatorship, or—since "those in whom confidence has been placed" say nothing about the duration of their saving remedy—despotism. Let us, after all, try some third way.

Vojvodina

Islamic Communities To Undergo Reorganization

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[Text] Belgrade, July 9 (TANJUG)—The head of the Islamic community for the Republic of Serbia and the Province of Vojvodina, Mufti Haji Hamdija Effendi Jusufspahic has indicated that a "major reorganization" of the Islamic community will be carried out in territories of former Yugoslavia.

In an interview published on Thursday [9 July] in the Belgrade daily VECERNJE NOVOSTI, Jusufspahic said the part of the community he headed had earlier broken away from the head of the Islamic religious community in former Yugoslavia, Reis-ul-Ulema Jakup Selimoski, whose seat is in the Bosnia-Hercegovina capital Sarajevo.

Jusufspahic said Selimoski had "disqualified himself at his post—while the war is raging in the former Yugoslav Republic of Bosnia-Hercegovina, he spends all his time outside Sarajevo."

The southern Serbian province of Kosovo, where ethnic Albanians are the majority population, as well as Sandzak (a territory in Serbia and Montenegro where Muslims make up about 50 per cent of the population), "remain linked to the centre in Sarajevo," Jusufspahic said.

"Every state created from former Yugoslav Republics—if there are any Muslims in it—will form its own Islamic community," he said.

Bosnia-Hercegovina won recognition of its independence from the European Community on April 7.

Two other breakaway Yugoslav Republics with significant Islamic communities are Macedonia and Croatia.

"It is logical that the supreme Islamic leadership should be based in Belgrade, the capital of the Federal Republic of Yugoslavia," Jusufspahic said.

Assessing the move from Belgrade to Sarajevo of the supreme Islamic leadership as a mistake, he said it should be returned to the capital of the Federal Republic of Yugoslavia as soon as possible.

Some four million Muslims lived in former Yugoslavia.

There are now about 1.8 million Muslims in the Federal Republic of Yugoslavia, and about 1.9 million in Bosnia-Hercegovina.